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EAST EUROPE REPORT

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ECONOMY

GERMAN DEMOCRATIC REPUBLIC

SOCIALIST PRODUCTION METHODS, GOALS EXAMINED

East Berlin EINHEIT in German Vol 41 No 4-5, Apr-May 86 (signed to press
18 Mar 86) pp 322-328

[Article by Dr Guenter Mittag, SED Politburo member and SED CC secretary:
"Combines Set Themselves Qualitatively New Tasks"]

[Text] The GDR faces the 11th SED Congress with a modern, efficient economy oriented towards the requirements of the present and future. Since the united working class in alliance with the working peasants and the intelligentsia together with all working people assumed power and exercised it under the leadership of its revolutionary party for the benefit of the people, it has created the economic basis for this purpose according to the teachings of the classics of Marxism-Leninism. It embarked upon this road consistently according to the clear direction as it was scientifically substantiated and shown in the "Principles and Goals of the Socialist Unity Party of Germany" adopted at the unification party congress as early as April 1946.

Under the leadership of our party, the working class, yes the entire people of our country covered a difficult but victorious road. Today our state of the workers and peasants is a reliable and strong part of the socialist community, a country respected all over the world on account of its achievements and its policy.

According to its traditions established by Ernst Thaelmann, our party, as the leading force of the working class and the entire people of the GDR, has made it its priority concern to strengthen and further develop the fraternal fighting alliance with the CPSU and the friendship with the Soviet people. It regards this as a fundamental and indispensable prerequisite for a successful implementation of the tasks relating to socialist construction. The 27th CPSU Congress has provided valuable impetus to even more effective cooperation between the SED and the CPSU, to the strengthening of our fraternal ties with the Soviet Union. Its results radiate to the entire socialist community of states. Comrade Erich Honecker, the general secretary of the SED Central Committee and chairman of the GDR State Council, declared from the rostrum of this party congress that we always regard the cooperation of our two parties as an essential contribution to raising the strength of the entire socialist community and to strengthening the material foundation of its peace policy. During his friendly meeting with Comrade Mikhail Gorbachev, the secretary general of the CPSU Central Committee, he extended his hearty congratulations

to the Soviet communists for the successful work of the 27th CPSU Congress, highly rated the political report of the CPSU Central Committee and underscored the international significance of the programmatic documents of the party congress. They enrich the collective theoretical and practical cooperation and the mutual exchange of experience of our countries, of the entire socialist community of states. This is of maximum importance in view of the tasks which our countries have to solve in the new, higher sector of its development.

To utilize in practice the best experiences without delay proves to be a big and truly inexhaustible reserve of the socialist world. Under the conditions of the common struggle for the productive utilization of the results of the scientific-technical revolution in the interest of a strong socialism, this exchange of experience and this cooperation attain a qualitatively higher stage. At the 27th CPSU Congress it became evident what dynamics the USSR national income can achieve in the coming period. And it was stressed at the same time that increasing the pace in principle takes place in a new manner, by means of all-around and consistent intensification, by high productivity of the social labor in direction of the top world level. Evidence of the consistency with which the CPSU is setting the course for the next 15 years and solves tasks which in their dimensions and complexity are unequalled in the history of the Soviet state, is provided by the documents adopted by the 27th Party Congress, the Political Report of the CPSU Central Committee delivered by its general secretary, Comrade Mikhail Gorbachev. It is also reflected in the speech by Comrade Nikolay Ryzhkov, member of the CPSU Politburo and chairman of the USSR Council of Ministers, on the principal directions of the economic and social development for the years from 1986 to 1990 and for the period up to the year 2000. This spirit of creative action and of bold approach to the task transcending what was customary in the past also characterized the profound discussion at the 27th Party Congress. What became evident was the great strength of the Soviet Union in applying the latest findings of science and technology, also at the exhibit of the party congress, "Science--Technology--Production--86," which the SED delegation visited in the spirit of a mutual exchange of experience and fraternal participation in the successful action of the Soviet Communists. All this is evidence of how the Soviet Union, and thus the entire socialist community, multiplies its strength in mutual cooperation. At the same time, this is of maximum importance for the further flourishing of our country. In its statement on the occasion of the 27th CPSU Congress, the Politburo of the SED Central Committee appealed to all GDR communists and working people to creatively link the analysis of the documents of the 27th CPSU Congress with the further work for the preparation of the 11th SED Congress and the implementation of its decisions.

Socialist Production Conditions--Foundation for a Successful Advance

We consistently follow the path outlined in the program of our party for the shaping of the developed socialist society in the GDR. The advantages inherent in socialism become increasingly evident in this connection. Life has proved: Our course of the unity of economic and social policy corresponds to the spirit of socialism.

With the plebiscite on the expropriation of the war and Nazi criminals in 1946, the foundations were created to eliminate the economic rule, and thus also the

political influence, of the monopolies. The economic roots of imperialism were destroyed. Thus the basis was created for the development of a socialist economy on German soil, which free from exploitation, serves the welfare of the working persons and the entire people. It has experienced a powerful development. Today in industry there is socialist property only. In the entire GDR economy, national property and cooperative-socialist property have a determining influence. In handicraft, there are 2,733 producer cooperatives and 81,069 enterprises of independent craftsmen and self-employed persons. Their work and their clear prospects in our society are evidence of the consistent alliance policy of our party and are completely in the interest of a versatile consumer supply, especially as regards repairs and services.

With the socialist planned economy and its constant perfecting, the face of the GDR economy was fundamentally changed. Industrial production increased 29-fold over 1946. Mining of raw lignite grew from 108.4 to 312.2 million tons; generating rating of electric energy, from 11,536 to 113,800 GWh; production of rolled steel increased from 0.1 to 9.0 million tons; production of machine tool building increased 95-fold, electrical engineering and electronics, 168-fold.

But above all decisive qualitative changes were made. They have become pronounced especially since the Eighth Party Congress which, with the course of the main task of the unity of economic and social policy, determined goal and direction of a truly socialist economic development. The by far predominant part of the present goods assortment of our economy consists of products which were not in existence at all during the first decade of the existence of the republic. That relates to the metallurgical industry, which achieved an 80-percent degree of refining, precisely as the biggest part of the chemical industry; in fact, it relates to the entire assortment of machine building and to electrical engineering and electronics and to the predominant part of light industry production, in fact to all areas in industry and construction. New technologies, new raw materials and materials are being used.

These very qualitative changes have made it possible that of 100 households 99 possess a refrigerator, 91 a washing machine, 93 a TV set, 99 a radio, 45 a car--not to speak of the great supply of home furniture, clothing, shoes and other products of daily demand.

In addition, an efficient building industry developed, which, if only the average of the past 5 years is considered, together with the kreis construction enterprises, the producer cooperatives of the building trade, the construction craftsmen, and the population's own efforts is able to build or modernize about 200,000 dwellings a year.

The working class has indeed created an efficient economy which is able to satisfy the fundamental social needs of the people on a rising level, in accordance with the achieved status in the development of the productive forces, to comprehensively meet the requirements of the shaping of the developed socialist society.

That is a great historical achievement. It is the result of the unwavering revolutionary struggle of our party for fundamental social conditions to make the advantages of socialism effective. To make use of these advantages more

and more completely means above all making millions of people aware of their position and responsibility in socialist society and qualifying them to do their best for the socialist state and thus also for themselves. An important part in promoting more and more purposefully the conscious activity of the working people, under the leadership of the Marxist-Leninist party, have the labor unions which have developed into a truly socialist class organization, in which 9.3 million members are united; the Free German Youth with its 2.3 million members and the socialist engineer's organization, Chamber of Technology, with its roughly 275,000 members are making a growing contribution to that end. It is of maximum importance for the further shaping of responsible action for the utilization of the advantages of socialism that the coming generation of the working class, of the cooperative peasants, of the socialist intelligentsia matures in a highly developed, modern socialist educational system which, based on its educational ideals, its scientific character, its contents oriented on the present and the future is truly highly effective.

Close cooperation and in a large measure harmonious interrelationships develop among economy, science, educational system, health and social welfare system, between the work of the provinces, cities, and municipalities. Oriented towards the welfare of the people as a uniform goal, an efficient social organism has developed. Thus the advantages of socialism can be utilized more and more effectively, they make a difference more and more clearly in the form high economic performances and growing social results based thereon.

Thus the people in our country notice that socialism is an inexhaustible source of high economic growth and steady sociopolitical progress. Its fundamental achievements--the standard of living rising according to plan, job security, social security and a clear prospect for all, the approaching solution of the housing question as a social problem, a high level of education and a rich cultural life--all that determines the everyday life of the people.

Our party implements its policy with the people and for the people. It conducts a constructive, creative dialogue with all working people. In preparation of the 11th Party Congress, trusting talks were held with the more than 2 million party members and candidates. The press reported on their content and their results as well as on the conducting of each stage of the party elections. This broad public information on fundamental assessments of the Politburo has significantly strengthened the fighting strength of the party and has promoted the great public discussion for the Party Congress with lasting effect.

Qualitatively New Steps in Preparation of the 11th Party Congress

Our party has utilized the time of the preparation for the Party Congress to prepare the GDR for the tasks of the present and the future. The achieved results show that it faces the requirements which result from the dynamic development of the productive forces and that it is able to solve these tasks successfully by organically linking the scientific-technical revolution with the advantages of socialism.

For this reason the existence of the combines in industry, construction, the transportation and communications system, including those of the bezirk-managed industry, in our economy is of principal importance. Their development and their

work embody essential steps for the further perfecting of the socialist production conditions, as they are now required, to provide wide scope to the dynamic of the productive forces in the interest of the strengthening of socialism.

As Comrade Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, noted in his article on the occasion of the New Year, what is now important is to take qualitatively new steps. They are aimed at applying the key technologies in a broad spectrum, thus lastingly substantiating the further performance growth of the economy on the path of comprehensive intensification. In doing so, especially under the aspect of these ambitious goals, we take every step jointly with the working people.

More than ever, the solution of the big economic tasks must be linked with answering the so-called little everyday problems with even greater attention in the interest of the people. With its high level of development, the GDR socialist economy possesses all necessary prerequisites to organize the production of new products according to the latest technologies as well as at the same time to improve in the comprehensive sense of the word also the working and living conditions of the people, from job to residential area--as it corresponds to the nature of the unity of economic and social policy. This is the purpose of the economic strategy of the party adopted at the 10th Party Congress, which was very well understood by the working people and was made the basis of their action. Thus in 1985 high achievements were made for strengthening the GDR economy in the interest of the further improvement of the material and cultural living conditions of the people and the results of the 5-year plan as a whole were good.

Our party has adapted itself in time to the qualitatively new requirements and the tasks for the further preparation of the 11th Party Congress were determined in this direction at the 10th and 11th SED Central Committee plenums. This took place under the aspect of the discernible requirements in the coming period. As has been shown in the meantime, it was of exceedingly great importance that, in preparing for the 11th Party Congress, the orientation was towards concrete results and measurable achievements. The Central Committee elaborated the qualitatively new character of the tasks to be solved and the working people responded to that with new pledges.

A very remarkable process has taken place since the beginning of this year. The collectives of the combines, in letters to Comrade Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, committed themselves to achieving by the 11th Party Congress a one-day lead in plan fulfillment, in some cases even more. Important qualitative developments are linked therewith. The plants not only concentrated on producing more but also on doing everything possible for replacing the products at a high rate at the same time. We are aiming at an annual replacement rate of 30 percent.

At the same time, the initiatives in the competition are directed towards refining the raw materials and materials used and at introducing the latest technologies, especially the key technologies. That refers especially to the development, production, and application of microelectronics according to international standards.

Thus the high growth in performance is to continue in 1986. All these pledges directed at a lead in plan fulfillment by the end of the first quarter in net production and in other economically important indicators, respectively, confirm the will to guarantee a high rate of growth during the first few months of the year to be able to conclude the year of the 11th Party Congress overall with even better results than in 1985.

Moreover, these pledges frequently reflect the qualitatively new tasks which will determine the further development. That relates to the aims for accelerated growth of labor productivity as well as to tasks--that can be accounted for--for greater refining of the used sources of energy, raw materials and other materials, for better utilization of domestic raw materials and thus to be able to produce more products in response to consumer demand as well as salable export goods. In this connection many pledges refer to concrete goals for concrete products in quantity and use value.

It is recognizable everywhere that the technological level of the work is being raised and the key technologies are applied. It is characteristic of what is qualitatively new that collectives of research and development, of technology, rationalization, and production concentrate on preparation and application of key technologies in a broad spectrum in close socialist team work. A special key aspect is the development of automated production sections, are computer-based solutions in design and technology.

Automation of technological complexes accelerated by the use of key technologies goes hand in hand with increased domestic production of microelectronic devices and the development of combine-specific application software. The "Werner Lamberz" Polygraph combine has established microelectronics research of its own in its parent plant. It was possible to start permanent operation at the beginning of the year. The VEB Textimaelektronik, established after the 10th Party Congress, has already become an efficient microelectronics plant in which 500 working people are now employed. With these capacities of its own, more than 50 percent of the microelectronic assemblies and controls and nearly the entire software of the combine are developed as well as produced with the plant's own capacities. The conditions were created to equip all finished products with modern microelectronics within the next two years. Development of the combine's own circuits was started in honor of the 11th Party Congress.

New complete technological production lines are developed and established by production of own means of rationalization. Its importance for carrying out such complex rationalization projects, for which microelectronics and robotics are increasingly characteristic, keeps on growing. Thus the far-reaching aims of rationalization and automation in the TEXTIMA combine, for example, have lead to the establishment of an automation plant. This plant now produces high-grade means of rationalization connected with CAD/CAM, robotics, and development of technological processes.

To ensure the scientific-technical headstart for the production of tomorrow, science cooperation is being developed with the universities, the Academy of Sciences, and other scientific institutions on a contractual basis. That is documented by the ever closer organic link of science and production. The research potentials are used for an acceptable product strategy and the fastest

possible adoption of the research results in the main development direction of the combines. Cooperation in training and advanced training, exchange of cadres and development of a common utilization of laboratories, technology and workshops have as their object maximum economic utilization of scientific-technical findings.

The use of material and energy in production is further reduced by application within a short time of new scientific-technical results and by modernization of the existing fixed assets. The spectrum of scientific-technical measures extends from better utilization of materials, reduction of material losses, application of material and energy-saving technologies to the increasingly more extensive utilization of secondary raw materials and the development of closed material cycles.

For example, in the Riesa Pipe Combine it was possible to reduce the consumption of sources of energy 8 percent a year by scientific-technical measures. By rational application of energy, the "Albert Funk" Mining and Metallurgical Combine in Freiberg was able to return resources in the case of electric energy of 21,000 megawatt hours; imported natural gas and city gas of $8,900 \times 10^3$ cubic meters; raw brown coal and brown coal briquettes of 4,300 tons. The Erfurt Energy Combine succeeded in improving the degree of utilization of secondary energy in Erfurt Bezirk to 90 percent.

The domestic energy resources and raw materials are being used more comprehensively by maximum utilization. New processes and top technologies of coal beneficiation were developed and successfully tested by concentration of efforts and funds.

For accelerated replacement of the production, own reserves are used in the combines even more widely and efforts towards best performances full of initiative are made. By closer coordination of research and development with sales, the sales-oriented product development could be improved. Hereby the close connection between product and process development became evident once again. Top products can be produced only with the aid of top technologies. By good scientific-technical achievements, the Oberspree Cable Works achieved a replacement rate in exports to nonsocialist countries of more than 60 percent and top performances were achieved in the case of 85 percent of the introduced new products produced. The GDR shipbuilders want to again replace their entire product program during 1986-1990.

High-grade consumer goods for the people and for export have become an important factor in the product assortment in the combines producing means of production. In the Schwedt Petrochemical Combine, the material-technical prerequisites were created within only two and one half years for the production of household, leather, and car care items on the basis of domestic raw materials.

Scientific-technical development in the combines was always connected with the improvement of working and living conditions. Continuously thousands of jobs were changed or newly created and the work hazards reduced hereby.

All that is characteristic of the results achieved by qualitative changes with which the combines and plants made preparations for the 11th Party Congress.

The content of their pledges reflect an important political development. What is involved is a convincing manifestation of the confidence in the policy of our party when an answer was given to the tasks stipulated by Comrade Erich Honecker by large collectives of working people with their responsible directors --the general directors of the combines, the party organizers of the Central Committee, the chairmen of the plant labor union managements and the first secretaries of the FDJ organization in the parent enterprises of the combines. Depending upon the concrete conditions, this happens in different ways. But in common to all is the unified will to give their best for the strengthening of socialism and the safeguarding of peace by concrete deeds at the job. Thus clear statements were made on how the further dynamic increase in performance of the GDR economy will continue. Thus the picture is also rounded out of our healthy, pulsating socialist economy supported by genuine creativity of the people.

Immediately before the start of the Leipzig Spring Fair, the general directors of the combines and the party organizations of the Central Committee assured at a seminar Erich Honecker, the general secretary of the SED Central Committee and chairman of the GDR State Council, in the name of their collectives that the year of the 11th SED Congress will be the year of the thus far highest achievements. At the top of the pledges is the promise to surpass the 1986 Economic Plan in net production with the output of 3 days and the planned labor productivity with 1.2 percent.

Overall it becomes evident how the collectives of the combines adjust to new standards and express the capability of the GDR economy to fight for top positions in the interest of a high growth of output for the benefit of the people and the safeguarding of peace. The combines make it possible for us to master the qualitatively new and more widespread economic interrelationships that occur in this connection; for they are in the position to solve important decisive questions within their own reproduction process, including the production of the latest technological equipment, safeguarding on their own of qualitatively important supplies and mastery of the tasks of qualification and advanced education. In addition, the central state balancing is perfected in terms of value and use value, so that the decisive economic processes are firmly in the hand of the state. The interests of the combines are economically connected with the social interests by varied measures of economic accounting. The socialist planned economy with its backbone, the combines, thus achieves a higher level and passes big tests in flexible reaction to new requirements.

On the basis of developed socialist production conditions, our party regards as its most important task from the point of view of safeguarding economic growth to combine the advantages of socialism on a new stage with the scientific-technical revolution. That means not only to keep pace with the dynamic development of the productive forces but also to accelerate it in important fields to thus guarantee the strengthening of the positions of socialism. The tasks to this end will be marked out by the 11th Party Congress up to the year 1990 and with a look at the year 2000.

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ECONOMY

GERMAN DEMOCRATIC REPUBLIC

INTERPLAY OF TECHNOLOGY, SOCIAL POLICY EXPLICATED

East Berlin EINHEIT in German Vol 41 No 4-5, Apr-May 86 (signed to press
18 Mar 86) pp 371-376

[Article by Prof Dr Otto Reinhold, member of SED CC, rector of the SED CC's
Academy of Social Sciences: "Socialist and Scientific-technical Revolution"]

[Text] The course of the main task in its unity of economic and social policy is the core of the economic and social concept of our party tested in life. To follow this course continuously, to pursue it in the long run requires above all--the understanding for that becomes evident in the discussion on the preparation of our 11th Party Congress in the pledges made in its honor--that we orient ourselves with all our energy on the scientific-technical revolution and on the economically and socially highly effective utilization of its potentials by the connection with the advantages of socialism. Only with its aid will it be possible to create especially the material prerequisites for our further social development. And indeed we consistently take into consideration this inseparable connection between the scientific-technical revolution and the shaping of the developed socialist society.

The scientific-technical revolution started about three decades ago. Since the seventies it has achieved a new stage on the international level, which is characterized not only by the constant acceleration of its rate but above all also by the fact that a series of key technologies comes to the fore whose application leads to a revolutionary change of the productive forces practically in all fields of the economy.

From the fact that such key technologies as microelectronics, electronic calculator technology, computers, robots, modern information technologies, and laser technology are applied in capitalism as well as in socialism, that they can be used for imperialist overarmament policy and high monopoly profits as for the efforts of the socialist countries to safeguard peace and raise the standard of living of the working people, the idea is occasionally deduced that science and technology are society-neutral, they could be used under any social conditions for any goals. However, life reduces this thesis to absurdity.

That the scientific-technical revolution can be used in capitalism and in socialism and indeed can be used--for opposite purposes--, by no means signifies that no necessarily objective consequences can be derived therefrom which relate to the character of the work, the social relations, the connection of science

and production, methods of management of these processes and many other areas of the way of life. But while with the requirements of development connected therewith ways to solutions open up under the conditions of socialist power and property conditions which are in accord with the interests of the people, in the capitalist world they necessarily lead to an intensification of existing and the development of new social contradictions, numerous class struggles are connected therewith. Therefore, in the struggle of the two social systems, in the competition between socialism and capitalism, the question increasingly comes to the fore: Which system is able to solve especially the social problems of the scientific-technical revolution in the interest of all working people and of all the people?

As has been shown, in the capitalist countries the scientific-technical revolution is connected not only with a quantitative restriction of all social expenditures but with a deep disruption and erosion of basic social rights attained after hard struggle. What is involved here is not only that mass unemployment cannot be mastered, that the right to work cannot be safeguarded. Representatives of monopoly capitalism now declare that even the--anyhow extremely limited--protection against dismissal, the right to strike and the collective bargaining law, central regulation of working hours and labor safety, the existing labor law is said to be not in agreement principally with the requirements of the scientific-technical revolution, the flexibility of the capitalist enterprises required in international competition. In reality it has been shown that capitalism, owing to the property rights inherent in it, is unable to convert the scientific-technical progress into social values for the people. As practice has confirmed--only socialism is capable of that.

In the Interest of Society as a Whole

In the SED program, the shaping of the developed socialist society is characterized as a process of profound political, economic, social and intellectual-cultural changes. The inseparable connection of scientific-technical and social revolution is included in this process of changes which takes place with the constant upward development of socialist society and is the foundation for its advantages practically becoming increasingly more effective. The political power of the working class and the social property in the means of production make this revolutionary higher development possible without encountering antagonistic contradictions and interests.

Thus since the end of the seventies, the socialist production conditions have undergone significant changes corresponding to the requirements of the scientific-technical revolution. These include especially the formation and development of the combines, the close link of science and production, the perfecting of management, planning, and economic stimulation in general, the further development of the cooperative work in the countryside, the development of the cooperative relations. All this is evidence of the fact that our party is always guided by the Marxist-Leninist fundamental finding on the dialectical interrelationships between productive forces and production conditions. Particularly the consistent heeding of this dialectical unity is one of the decisive causes for the fact that in our country the change to the intensively expanded reproduction could be accomplished in time. It needs no discussion

that the scientific-technical revolution, which lies ahead in the GDR until 1990 and beyond that until the year 2000, requires further continuous and dynamic development of the production conditions, of all social relations, of the character and forms of work, of the working and living conditions as well as of other areas of social life. As a result it is guaranteed that in the future, too, the necessary economic growth for the benefit of all working people will be attained.

The essence of this process in socialism consists in the fact--and that is a decisive advantage--that this dynamic corresponds to the interests of society as a whole and does not encounter irreconcilable class interests. Of course that does not signify by any means that no old habits must be overcome, that no arising contradictions, unforeseen questions and social problems must be solved. But within the framework of the socialist order these problems can really be solved without social and political disruptions. Some bourgeois ideologues link the profound changes in socialist society which are connected with the scientific-technical revolution with a number of nonsensical theses and also various illusions. Even though also the classics of Marxism-Leninism, especially Lenin, have sharply rejected the view that socialism is a rigid social organism that does not continue to develop, many of them, supported by numerous cliches, have adhered to this opinion. Again and again they nourish the hope that every change, every variation must necessarily disrupt the socialist order. They persist in the view that a flexible system of management and planning corresponding to the requirements of the intensively expanded reproduction can only be created at all if democratic centralism is eliminated and more and more elements of the capitalist market economy are "built in." But this would logically undermine the leading role of the party and make it impossible in the long run.

The practical results of our economic and social policy since the Eighth Party Congress and in implementation of the economic strategy adopted by the 10th Party Congress prove in several respects how absurd these bourgeois theses are.

Firstly: Contrary to the predictions of these bourgeois ideologues, the change to the intensively expanded reproduction could be made. The increase in efficiency became the decisive source of growth. This unequivocally contradicts the basic thesis of bourgeois economists that a socialist planned economy is incapable of that type of growth.

Secondly: This transition was not carried out by any deviation from the socialist planned economy and from democratic centralism, but, quite to the contrary, by systematically perfecting the planned economy and further development of its principles in accordance with the new conditions and requirements.

Thirdly: In this manner, the conditions for the continuation of the unity of economic and social policy could be created. That was and is fundamental to the firm relationship of trust between party and people. Contrary to all illusory predictions and hopes of our opponents, the leading role of the party has become stronger in this process. In the period since the 10th Party Congress it has become especially evident that the party is capable of successfully guiding the scientific-technical change on all levels of the socialist society.

Man Stands in the Center

It is characteristic of our economic and social policy to carry out the scientific-technical revolution so that man with his capabilities and experience, with his interests and needs always remains in the center, that he is never pushed to the edge of the happenings. In all our resolutions and plans on economic and social policy, this aim stands in the center of attention.

But how--the question is asked--is that to happen in practice? The broad application of modern science and technology obviously presents us with a "world of the computer." Automatic project planning, automatic production preparation, flexible automated production systems and many other automatic processes increasingly determine the picture of the economy. Where--the question is asked--is man with his knowledge and capabilities to fit in: Isn't it true that this process is determined in the first place by some highly qualified scientists, engineers, and production organizers, is it possible for the mass of the working people to have any input at all, not to speak of any active participation full of initiative?

Theoretical answers to these questions have been available for a long time. But now the problems connected therewith are being solved also more and more in practice in the combines, cooperatives, and other areas. Hereby the advantages of socialism, in contrast to capitalism, become more and more clearly apparent.

All practical experiences show that only the socialist order and its dynamic development can create all those conditions which guarantee that man stands in the center. At the same time it becomes more and more clearly evident that the role of man--formulated more generally: of the subjective factor--constantly increases in importance. That proves to be increasingly a fundamental prerequisite for high economic and social effectiveness of modern science and technology. Man is and will always be creator of all new technologies and production facilities. In capitalism, to which this statement also applies, it is, however, not man but maximum profit that is the measure of all things. That acts now as one of the most important phenomena of the fundamental contradiction of capitalism as a source of deep and, in final analysis, unsolvable social contradictions. Automation, e.g., in the capitalist society, too, is a result of the creative activity of man, but--as practice proves--for the majority of the working people is connected with an army of millions of unemployed, with new poverty, with lacking participation, and many other negative consequences.

However, as a result of the social property in the means of production in socialist society, the results of the production are also property of society as a whole and the fruits of the scientific-technical change serve its welfare. Social character of the production and social acquisition of its results coincide. Bourgeois ideologues object that this is more of an ideological-theoretical aspect. In practice, they say, it is completely immaterial to a worker whether he is employed in a capitalist or a socialist plant. He must work here as well as there. Apart from the fact that there millions cannot even find work, this thesis is completely devoid of reality. Moreover, in most cases it is connected with the assertion that the demand of the labor movement for transfer of the decisive means of production to social property is obsolete; the present-day problems cannot by any means be solved that way.

Nothing is more nonsensical than this assertion. As the many profound social problems and social disruptions following the revolutionizing changes in science and technology in capitalist countries show, the scientific-technical revolution of today makes the social property of the means of production--of course linked with the political power of the working class--an indispensable condition for man to remain in the center in every respect. How does this basic principle become a reality under socialist production conditions?

Social Acquisition of the Results of Production

It is characteristic of a socialist social order that the effective profits achieved by scientific-technical progress be used in the interest of society as a whole and of each individual citizen. Of course, expanded reproduction must be assured. But a large part of the profits flowing into the state treasury is used to finance sociopolitical measures. Thus, e.g., 78 percent of all state budget receipts this year come from such payments, i.e. especially from profits of the socialist economy. Thus it becomes possible to finance the sociopolitical programs, the housing construction program, the low rents and rates, the stable prices of the basic requirements, public education, health care, and many others. Moreover, in the combines, plants, and cooperatives themselves, part of the profit is used for the solution of social and cultural tasks--including vacation and leisure time activities. That is to say: The socialist economic order makes possible a principally new connection of scientific-technical progress and standard of living of all working people, a concept diametrically contrary to capitalism.

In the FRG and other capitalist countries, the technological change is connected with the reference that the most important condition for growth of the economy and for strong positions on the world market is international competitiveness and the safeguarding of high profits from which investments can be financed. Consequently reduction of social benefits is said to be a fundamental prerequisite for the growth of the economy under present conditions. Therefore scientific-technical progress is linked with social steps backward, with efforts to dismantle social achievements and democratic rights achieved after hard struggles. The attempt of the FRG government to restrict the right to strike of the labor unions is only one--though characteristic--aspect of these endeavors.

Of course a socialist combine, a GDR plant, must be no less competitive internationally. Reduction of costs, the amount of the profit are also for that important reason indispensable aims of socialist management. Striving for maximum profitability is a fundamental condition for the successful implementation of the SED's economic strategy. But the principal difference consists in the fact that it is not the private entrepreneur but society that disposes of this profit and employs it according to the social aims. Only in this way is the unity of economic and social policy in line with the SED program possible.

The capitalist order necessarily must constantly stress anew the contradiction between profit interests and social progress for all working people. The thesis --and the corresponding practical policy--, guaranteeing international competitiveness, it is claimed, necessitates the reduction of social achievements and social rights, is the concrete expression of this contradiction. In contrast

to that, the socialist order, socialist production conditions make possible consistent striving for maximum economic effectiveness and systematic raising of the standard of living of the working people, improvement of the working and living conditions, expansion of social and democratic rights with achieving agreement--or rather--absolutely necessary interrelationships to one another. One is not possible without the other.

Assuring Social Security

Man can remain in the center only if social security, full employment, training, and advanced training are assured for each working person. That is a reality that can be attained by everyone in our society. For one thing, because the development of the socialist economy according to plan, timely solution of newly arising problems, opening up of new sources of growth make continuous growth of the economy possible. Thus in the first half of the eighties, national income in the GDR rose 4 to 5 percent annually. And this rate will also determine the next 5-year plan period. On the other hand, the unity of economic and social policy includes the aspect that expansion of fields such as public education, kindergartens and creches, health care, services, environmental protection, culture and leisure time is connected with a constantly growing demand for qualified manpower. The legal safeguarding of the working people moreover is part of the character of socialism. If rationalization takes place, then jointly with the working people and under the aspect strictly to be observed that another job is to be found for the person affected, in accordance with his qualifications and occupational experience. The labor code expressly stipulates that.

Development of Active Participation in Developing Rationalization Measures

If man is to remain in the center of events, that can mean not only that he--as important as that may be--is beneficiary of the results of the scientific-technical revolution, but that the process of technical change is carried out together with him.

All experience shows that the best results are achieved where all participants are included in the development and practical implementation of rationalization measures from the start. As has been shown, this participation already starts with the determination of the goal. Broad, active participation entails for one thing that the experience, knowledge and ideas of all are included. No less important is the full identification with the program, the goals and ways of technological change.

So that man remains in the center, all problems, especially also social questions, must be solved in time, i.e. according to plan and on a long-term basis, with all working people involved. That relates to the necessary qualifications as well as the possibly necessary change in jobs. The Schwedt Initiative, as a result of which many hundreds of working people were recruited for new jobs, has been and remains a model of the approach, precisely of the long-term political-ideological and organizational preparation. Commissions, which included representatives of the combine management as well as of the labor unions, conferred with the working people, obtained their opinions. Extensive qualification

measures were carried out and other social problems were discussed and resolved. As has been found out, scientific-technical progress is connected with far-reaching changes in the character and in the forms of work. New collectives and social relations are formed. As a rule, scientific-technical progress requires a new, higher qualification, many a professional experience of many years loses its past value. Therefore it is important that the process of qualification be started before the practical implementation of rationalization measures is instituted. This requires that project planning, too, includes not only technology and production organization but that, inseparably linked to it, also the work and the new jobs be developed. Only if the scientific shaping of the work and the jobs form a part of project planning from the start, solutions are achieved which are in accord with our society. Shaping of technological change and of work, of social relations and working conditions must form a unity if rationalization is supposed to have socialist character.

Striving for successful mastery and utilization of the scientific-technical revolution for social progress for all these reasons increasingly becomes the main field for developing socialist democracy. The comprehensive democratic participation in the process of technological change more and more evidently becomes a fundamental condition for its effectiveness as well as for man with his knowledge and capabilities, with his interests and needs, remaining in the center of events. Quite definitely socialism proves its superiority over capitalism in this field in a special way. And not only because the scientific-technical revolution serves society as a whole but also because all working people actively help shape this process, they are not its object but its subject. But that is simply possible only if the required social conditions exist--and they are those of socialism. If this Marxist-Leninist finding still required confirmation--social practice especially in our time provides it every single day.

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ECONOMY

GERMAN DEMOCRATIC REPUBLIC

KEY TECHNOLOGIES, THEIR INTEGRATION IN PRODUCTION NOTED

East Berlin EINHEIT in German Vol 41 No 4-5, Apr-May 86 (signed to press 18 Mar 86) pp 398-404

[Article by Dr Herbert Weiz, member of the SED CC, deputy chairman of the Council of Ministers, minister for science and technology: "New Dimensions of Socialist Integration"]

[Text] With the complex program of scientific-technical progress up to the year 2000 adopted at the 41st (Special) Council Session important milestones have been set for the future. According to the June 1984 decisions of the economic conference of the CEMA member countries on highest level, the goals, tasks, and ways for significant acceleration of scientific-technical progress and noticeable increase in its economic and social effectiveness were determined for the long term. They are based on the objective requirements of the sociopolitical development in the fraternal countries and the growing dynamics of the scientific-technical revolution.

The complex program offers qualitatively new possibilities and favorable conditions to ensure, by merging of forces, top positions in the fields which are decisive for pace and level in science, technology, and production on the road to the next millenium. That will increasingly shape the course of socialist economic integration.

With the complex program, the CEMA countries are in accord with the fact that their course, directed towards the safeguarding of peace and the strengthening of the positions of socialism in the revolutionary world process, is significantly supported by their economic strength, by economically profitable utilization of the latest technique and technology. Its successful implementation is a pledge of the peace offensive of the socialist community of states to eliminate the danger of a nuclear war, to stop the arms race on earth and to prevent the militarization of space.

The Politburo of the SED Central Committee and the GDR Council of Ministers have underscored the decisive contribution made by the USSR in achieving the priority tasks of science and technology and have stressed that the decisions of the 41st CEMA Conference constitute another important step for deepening the all-around cooperation of the CEMA member countries and for strengthening the unity and cohesion of the socialist community.¹

According to the always underscored course of our party that everything is done for the benefit of the people, our cooperation in the complex program is directed at the further implementation of the main task in its unity of economic and social policy, whose solution, in the long term, determines the SED policy.

In the Center: Key Technologies

Because of its great political and economic importance, the complex program is a program of truly historical significance. In agreement with the vital interests of the peoples, it is aimed at the peaceful use of the scientific-technical achievements. With it the CEMA member countries, in accordance with the development trends of the productive forces, have drawn conclusions for the present and future requirements of intensification, since it has become the core of the economic strategy of the fraternal countries. Its rate is determined more than ever by the fact that the achievements of the scientific-technical revolution is linked very closely with the advantages of socialism.

Fully in this sense the complex program embodies a balanced scientific-technical policy which aims for the highest international level in those directions of science that are most important for gain in effectiveness and quality. It is the economic starting point for research and development tasks and tasks relating to the start of mass production of new products to at least double labor productivity by the year 2000 and to strongly reduce specific production consumption.

A most important prerequisite appears to be the accelerated development and application of the key technologies, thus of those processes which decisively shape content and direction of scientific-technical progress and are all-important for the dynamic development of the productive forces, for the advance of social life in all areas. The complex program takes all this into consideration in the following five principal directions:²

--Electronification of the economy, i.e. especially development and wide application of microelectronics and of modern computer engineering, communications technology and information processing;

--Complex automation, especially creation of flexible automated production processes using robotics and computer-based production preparation;

--Accelerated development of nuclear energetics, primarily perfecting of the tested types of nuclear power plants and use of nuclear energy for the generation of heat;

--New materials and technologies for their production and processing, especially development and use of new ceramic materials, special polymers, highly refined metals and superpure substances for microelectronics;

--Accelerated development of biotechnology, especially biological agents and medicines for preservation of the health of man and processes to raise the performance potential of plant and animal.

To assure the necessary rate of development in these main directions, the strategic goals and the stages for the creation of new products, processes, and technologies were established in more than 90 complexes of topics. They comprise the entire cycle from basic to applied research through product and process development up to production. In them are embodied the treasure of knowledge and experience of leading scientists of the CEMA member countries, the result of profound analytical-conceptual work, starting from the economic requirements of the countries of the community to the development trends of science and technology.

Implementation of the complex program requires exertion of all forces, starting from highest efforts on the part of each country. It is drafted up to the year 2000, whereby decisive tasks must be solved in the period from 1986 to 1990. According to the dynamic development and the complex connections of science and technology, they are inseparably interwoven. At present and in the future, this requires even closer working together of the fraternal countries in research and development, in specialization and cooperation and in the exchange of goods to ensure advance to the top position by gaining time in the development and broad application of level-determining production equipment, technologies, materials, and consumer goods. Starting from that, the complex program is not only a compass for research and development but a general guideline for deepening socialist integration. At the same time, the possibilities of the CEMA countries for active participation in the international division of labor in science and production are thus expanded. In mastering the key technologies which are decisive for scientific-technical progress by their own efforts, all attempts of imperialism at hampering the worldwide exchange of latest techniques and technology by embargo and other trade restrictions are in vain.

The ambitious tasks of the complex program are realistic and well founded. The fraternal countries possess all the prerequisites for their purposeful implementation. With the socialist production conditions, the social property in the means of production, the scientifically based economic planning, and their further development according to the matured conditions, the creativity of the working people, of the spirit of the researchers and inventors is given wide scope.

The development of CEMA into the most dynamic economic region on earth proves that socialism purposefully advances the progress of the productive forces. Evidence of that are our own efficient microelectronic base, nuclear energetics, the broad application of computer engineering, space research and its utilization for tapping resources on earth. In fields such as machine tool building, materials-handling technology, textile technology, oil processing, and upgrading of coal, the achieved level of the CEMA countries would be unthinkable without their fruitful cooperation. Now more than one third of the scientific-technical potential of the world is located in the CEMA countries. Their share in the world industrial production is just as great. All this underscores the fact that socialism possesses all that is required to solve with united strength the most complex tasks in science, technology, and production.

Component of the SED Economic and Science Policy

The obligations resulting from the complex program for the GDR are implemented as a firm component of the economic strategy of the party. An important condition for a high GDR contribution to the achievements is the fact that the change to comprehensive intensification took place in our country and the SED economic and science policy is directed towards providing lasting foundations in the long run. Accordingly all fields of the economy consistently endeavor to advance to the international top position in the decisive fields. The focus of attention is on replacing the products and processes to achieve high economic effects, on significantly raising labor productivity and quality, on strongly continuing to lower production consumption, and on producing more goods for the consumers, the economy, and for export with improved ratio of cost to profit.

This is especially expressed in the broad pledge movement of the labor collectives of the combines, plants, and scientific-technical installations in honor of the 11th SED Congress. Exemplary in this respect are the performance standards which the working people of the Zeiss Combine set for themselves in their letter to Erich Honecker, the general secretary of the SED Central Committee. They show what outstanding results can be achieved by concentration of the forces, maximum efforts of one's own, and utilization of the advantages of our social order as well as in close cooperation with the USSR. With the pledges by the combines under the leadership of the party organizations, the struggle for highest scientific-technical level, for gain of speed in the key technologies, and for outstanding production results has found a broad mass basis in our republic.

The goals and tasks of the complex program are completely in agreement with the adopted "Main Directions and Priorities of Natural Science and Technology in the Period From 1986 to 1990 and Beyond That to the Year 2000." The key technologies which were advanced with full efforts based on the decisions of the 10th and 11th SED Central Committee plenums are in accord with the priorities of the complex program.

Special importance is attached to the tasks relating to the acceleration of the development and application of microelectronics. The microelectronics progress continues to exhibit enormous dynamic. It literally pervades all areas of social production and of daily life. This requires, especially in this field, achievement of maximum growth rates and rapid qualitative progress. This corresponds to the aim of the complex program to develop the uniform basis of electronic components with new generations of high and superhigh integrated circuits as well as optoelectronic solutions, to expand the selection of computer technology, including personal computers, and automation technology and to apply digital information transmission and fiber optics technology. For this purpose, the GDR will increasingly develop and produce technologies and special equipment and with growing yield will produce efficient components. On this basis, a higher level is to be achieved in the application of CAD/CAM, in communications technology, in scientific apparatus building and for industrial consumer goods.

The struggle for microelectronic and optical high technology in the Zeiss combine, the above-average growth of personal computers from the Soemmerda Office

Machine Plant, new control generations of the Eletro Apparatus Works and Automation Installation Building combines embody quite concretely the increase in economic level in fulfillment of the complex program. At the same time, its aims indicate that the pace must be increased even further. For this purpose it is important to bring knowledge and capabilities of the best scientists of the CEMA countries to bear, in coordination and jointly, and to ensure that the results as regards performance, level, quality and compatibility corresponds to the requirements of the markets.

In all that there are at the same time essential prerequisites for making headway more quickly in automation of production. International cooperation for computer-assisted production preparation, for the creation of flexible automated fabrication, for industrial robotics and control technology will effectively support our own efforts in this field. An expression of what has been achieved in the GDR is, among other things, the use of 57,000 industrial robots. They have been designed according to the requirements of the technological processes and frequently have been produced in the combines' own production of rationalization means. In preparation of the 11th Party Congress, model solutions for flexibly automated production sections as well as numerous CAD/CAM applications have been created. The qualitatively new step that is on the agenda is transition to individual solutions for broad application, is the automation of complete production areas, including the upstream and downstream production stages, automated quality control as well as transport and storage processes. Here are decisive sources for high growth rates of labor productivity and the improvement of working and living conditions.

The extraordinary variety of concrete user solutions in all CEMA countries offers good possibilities for the mutual exchange of projects and achievements. In addition, great importance is attached to the data banks and information services to be developed by division of labor. It is extremely important that, together with the agreed-on tasks, the priorities for the long run are provided for which the mutual deliveries of machines and technological lines must meet the high requirements of complex automation. Here and in the expansion of the assortment of controls, drives, sensors, and other components, uniform standards with highest technical level play a decisive role.

In the development of nuclear energetics, we start from the assumption that after 1990 our increase in primary and electric energy will be derived from it. Power and heat from nuclear power plants make possible rational energy use for numerous technological processes. Hereby it is of economic importance that one ton of nuclear fuel can replace one million tons of raw lignite in producing the same quantity of electricity. They are based on the 440 MW and 1000 MW Soviet nuclear energy installations, which have stood the test in practice. In accordance with the agreements made, the GDR has assumed ambitious tasks for their rational operation as well as for reduction of construction costs, for development and production of structural components and aggregates and not least for the preparation of the use of nuclear heating plants. Of long-range importance is the active participation in selected work of the USSR for mastery of controlled nuclear fusion. If this problem can be successfully solved, a great service will be provided for mankind as a whole for a peaceful outlook.

Replacement of the material basis and application of new material-saving technologies and designs are cornerstones of the refining strategy. High-grade materials, such as refined metallurgical products, special polymers, new glass and ceramic materials, significantly contribute to safeguarding our economic growth in the future with approximately constant raw material use and noticeably declining specific material consumption. Therefore the GDR is highly interested, by division of labor according to plan, in achieving rapid progress in meeting the demand in those new materials on which scientific-technical level and quality of the products depend. Of course, that includes developing and setting aside, together with the material and process development, the required equipment without delay and moreover further increasing one's own efforts in this field. In the CEMA complex program and in the agreements already concluded with the USSR, important tasks are stipulated for this purpose. This applies to the production of new ceramic materials for microelectronics, engine manufacturing, for catalysts and other fields of use as well as for microcystalline and amorphous metals, powder metallurgical products, superpure materials as well as plastics and elastomers. In its participation in the machining and processing technologies, the GDR will depend on its good preliminary results and experiences in plasma and electron-beam technology as well as regarding the process under high vacuum and with laser beams.

The work in the field of biotechnology involves findings at the most advanced front of science and its economically profitable application. This is connected especially with the aim to develop and introduce agricultural production more effectively and to better utilize available raw materials. Included are new ways to reduce environmental pollution. The results achieved thus far are a good initial position for that. In cooperation with the USSR, processes for the microbiological production of feed albumen were developed and introduced in production. New agents, antibiotics and feed supplements stand the test in practice. For further progress, much depends on the pace and scope in the biotechnological laboratories with which the new basic methods of gene, enzyme, cell and immuno-technology are mastered and applied. In view of the stormy development in this field, maximum importance is attached to close interdisciplinary cooperation of the researchers and technologists of the CEMA countries in the priorities of the complex program. This requires further strengthening of one's own efforts and, coordinated with the USSR, achieving more quickly widespread economic use of the new processes.

The entire radiating power of these key tasks becomes more clearly visible every day. Its accelerated development and broad application is the way to achieving and maintaining a level of technological achievement with which we are in the front ranks on an international scale and which Comrade Erich Honecker characterized at the Berlin Bezirk delegate conference as a prerequisite for strong economic growth.³ With the mastery of the key technologies, the profile of entire production branches is being profoundly changed and the production and export structure is perfected. This process receives a strong push from the implementation of the complex program.

High Effectiveness of the Cooperation to Be Assured

Achievement of the tasks arising for the GDR from the complex program places high demands on management and planning of the economy. In essence what is

involved is to orient the work in the combines and scientific institutions specifically on rapid implementation of the key technologies, thus at the same time assuring the GDR contribution to the complex program. This determines the work on the 1986-1990 5-year plan as well as on preparation and implementation of the annual economic plans, which includes plan coordination with the fraternal countries. Every minister, every general director of a combine, every institute director has a high responsibility in this field for attaining top results in implementing the complex program and that they are brought to bear with great benefit in the economy. In the interest of rapid progress and economically effective utilization of the results, it is necessary to move the entire science-technology-production cycle up to the exchange of goods into the focus of management activity. What results of research and development, what technologies and products the GDR contributes and what contributions we require from the partners--that is derived from the requirements for improving the economic performance and export strength, from the common interests of the CEMA countries. This concept is directed at a mutual give and take--starting from high performances of one's own and in agreement with the goal to increase the strength of the entire socialist community.

The constant orientation of the party on the top standard in research, technology, and production also constitutes the compass for the work to fulfill the complex program. Its tasks do not permit any mediocrity. Be it the determination of the economic and scientific-technical goals in the duties record books, be it the establishment of efficient collectives from the best cadres--it is always a priority concern to create economically strong results, original solutions that go beyond of what is known and which prove to be superior to others. Therefore the tasks of the complex program are a fertile field for inventive work, for the activity of the youth researcher collectives. The preservation of highest standard and performance demands involves political-ideological work very closely. What is above all involved here is the strengthening of the confidence in one's own strength, high qualification, unconditional full personal commitment, partisan confrontation of obstacles--in other words principled positions for safeguarding the highest international standard.

The tasks for the achievement of the complex program are a component of the science and technology state plan. Thus the tested strict regime of central management--from the development of the goals in the duties record books via the material-technical safeguarding of the transition to the stimulation of high creative achievements--is fully employed in the implementation of the complex program. At present, more than 700 state plan tasks for the development of new products and technologies are directed towards the priorities of the program. Their unconditional fulfillment and rapid start of mass production, the safeguarding of the required internal cooperation, achievement of a production volume according to GDR demand and of export in implementation of the economic plan offers the guarantee for a high-performance contribution of our country to the complex program.

The USSR occupies a key role in the entire process of the achievement of the program. This results from the fact that the Soviet Union possesses the strongest scientific-technical potential and is our principal partner. The

principal function for the coordination of the complexes of topics was assigned to their most important centers of research and industry. They possess great experience in the struggle for the international top standard and can rely on the tremendous resources of the entire Soviet land. It is with them that the combines and scientific institutions of the GDR continue to develop the direct cooperation which has proved to be the most effective path. In doing so, they can rely on the experiences of a successful 35-year scientific-technical co-operation with the country of Lenin. The tasks to be solved now are based on the high level of interlocking of the GDR and USSR economies and the new steps instituted with the long-term program of cooperation in science, technology, and production up to the year 2000. Vital tasks for the implementation of the complex program are firmly agreed upon with the USSR in agreements and contracts. They are based on the fact that for the development and production of new products in our country, the demand of the USSR, on account of its volume, standard, and quality, is of decisive importance. Especially the agreed-upon goods exchange between the GDR and the USSR during 1986-1990, which is supposed to attain the unprecedented volume of M 380 billion, testifies to this assertion.

The high goals of the complex program require further strengthening of basic research in the established main directions. Therefore, cooperation with institutes of the Academy of Sciences and the leading university institutions of the USSR, which is based on exact mutual obligations in the achievement of the complexes of topics, is being purposefully deepened. Fundamental contributions to the program are being made by the institutions of the Academy of Sciences and of the university system of the GDR whose research cooperation with the combines, oriented on economic aspects, develops fruitfully according to the decisions of the 10th SED Central Committee Plenum.

For high effectiveness of the cooperation with the USSR and the other CEMA countries it is decisive in implementation of the complex program that the possibilities of direct relations be fully utilized. This means, starting from co-ordinated work programs on the complexes of topics, making the contract between the partners which perform the concrete work for the fulfillment of the program the basic form of cooperation. It is important to stipulate in the contracts from the start all terms for performing the work and the use of the results. These include:

- clear goals aimed at the highest scientific-technical standard;
- concrete mutual obligations in the division of labor, e.g., concerning quality, deadlines, and mutual deliveries;
- sanctions in case of nonfulfillment of obligations and possibilities for stimulation in case contract goals are surpassed;
- clear commitments concerning financing, transfer and use of the results on the basis of the principles of mutual advantages.

This procedure, which corresponds to our experiences on the application of economic accounting, is in line with the interest of high scientific-technical and economic results of all participants.

A far-reaching effort has been started with the complex program of scientific-technical progress of the CEMA countries. Its results will be an important contribution in the fulfillment of the decisions of the 11th SED Congress. The GDR researchers, engineers, and innovators regard fulfillment of the tasks of the complex program as their internationalist obligation which serves the strengthening of the GDR, of the entire socialist community of states.

FOOTNOTES

1. Cf. "Joint Comment of the Politburo of the SED Central Committee and of the GDR Council of Ministers on the Results of the 41st (Special) CEMA Conference in Moscow," NEUES DEUTSCHLAND, 23 Dec 85, p 1.
2. Cf. "Complex Program of Scientific-technical Progress of the CEMA Member Countries up to the Year 2000," EINHEIT, No 2, 1986, p 171 ff.
3. Cf. Erich Honecker, "We Want the Now Living and the Future Generations to Be Able to Build Their Happiness in Peace," NEUES DEUTSCHLAND, 10 Feb 86, p 4.

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ECONOMY

GERMAN DEMOCRATIC REPUBLIC

GOALS FOR SCIENCE RESEARCH SET FORTH

East Berlin EINHEIT in German Vol 41 No 4-5, Apr-May 86 (signed to press 18 Mar 86) pp 405-411

[Article by Prof Dr Werner Scheler, member of the SED CC, president of the GDR Academy of Sciences: "Basic Research for Tomorrow's GDR"]

[Text] The development of the productive forces--of the "productive organs of social man," as Karl Marx also called them--has become the decisive task in final analysis for the further shaping of the developed socialist society. At present we are experiencing and fashioning a revolutionary change of the entire structure of the productive forces. It takes place at a pace and in a dimension which makes it appear appropriate to apply here, too, the term of the historical turning point¹, which Karl Marx applied to the characterization of the effect of the machine tool in the industrial revolution of the 19th century. Starting from far-reaching progress in knowledge and scientific breakthroughs, a fundamental transformation of significant areas of techniques and technology, of production and of working and living conditions will be achieved.

Key technologies provide a pace-setter function in the development of the productive forces. Its effect extends to virtually all social spheres, especially to production. Experts estimate that as a result the productivity standard internationally will increase two to threefold by the year 2000. In GDR industry, annual growth rates far above the present level can be achieved by broad application of the key technologies.

The dynamic development of the productive forces in the GDR forms the basis for the continuation of the course of the main task in its unity of economic and social policy, for socioeconomic progress and for raising the standard of living of its citizens. It is important to strengthen the position of the GDR among the leading industrial nations and thus to contribute to the strengthening of socialism and safeguarding of peace.

New Requirements for Science

Acceleration of scientific-technical progress, especially in the field of the key technologies and their application is the cardinal question in the comprehensive intensification of the economy. The combines have a high responsibility in this respect. After all, they developed into efficient economic units

in which the reproduction cycle takes place as a unit from research to production and to sales. Research and development increasingly determine the technological standard and the economy of the production process. Labor productivity, the degree of innovation of production, the scientific-technical standard and the use value of the products, thus also their international marketability, essentially depend on that. The scientific preliminary work for the production of tomorrow is, however, not only a matter of the combines and plants, but of the entire research potential of our republic. The GDR Academy of Sciences and the universities and colleges are fully included in this responsibility. They are largely responsible for a high level of basic research directed at economic goals.

Referring to the growing demands on science, Erich Honecker recently spoke about the responsibility of basic research at his latest working visit to the Academy of Sciences. He assessed the decision of the party in the first half of the seventies to systematically develop and foster basic research as a source of new findings on lawful connections in nature and society--also viewed in the long term--as of great importance for our social development and science itself. He encouraged the scientists to further increase their analytical and prognostic activity concerning the priorities and concerning new problems of scientific-technical progress, which will benefit the answers which, Honecker said, will have to be provided to maturing questions of economic and social development.²

On account of the extraordinary importance of science to the development of society, great importance is attached to qualified analytical-prognostic work. Its serves the identification of the scientifically most promising and socially most relevant research directions and ways of looking at problems. In this respect, sure knowledge and critical assessment of the international development trend is as indispensable a prerequisite as the knowledge concerning the social and economic strategy of the GDR and of the socialist community of states.

Research in the GDR is oriented in its goals and basic directions on the SED program and on the decisions of the party. The tasks of the next section along the road will be concretely defined by the 11th Party Congress. In it the turn of the century comes into ever sharper focus. Comrade Erich Honecker at the 10th Central Committee Plenum pictured the outlines of our republic in the year 2000 and made clear how and by what road we are going to lead our country over the century threshold.³ The further shaping of the developed socialist society requires comprehensive intensification--namely permanently. Science is challenged in a qualitatively new way to make a decisive contribution in this connection. Science--supported and put into practice by all working people--is the No. 1 intensification factor.

This position of science also determines our strategy for the next two to three 5-year plan periods. It takes into consideration the growing integration among the socialist fraternal countries, which is now largely determined by the complex program of scientific-technical progress to the year 2000. The research institutions of the GDR Academy of Sciences are fully included in national as well as international cooperation.

Close Interlocking of Science and Production

Of fundamental and great long-range importance is the orientation originating from the 10th Central Committee Plenum towards close interlocking of research and production, including the shaping of economic relations between the combines of our people-owned industry and the Academy and university institutions. With it the aim is pursued to make basic research increasingly the starting point for the development of new, highly productive technologies and products, for increasing labor productivity, and for lowering the specific energy and material use. This purpose is served by the longer-term coordination contracts with the combines concerning the main directions of their production and development strategies as well as by concrete performance contracts derived therefrom on specific tasks with mutually binding duties record books.

According to the new research decree, 23 coordination contracts and 119 performance contracts between Academy and combines had been concluded by the end of February 1986. At present about 45 percent of the research potential of the Academy is committed by economic contracts with the combines. For 1987 we are aiming for a commitment of about 50 to 55 percent. As pronouncedly progressive intentions in the shaping of these contract relations we would like to especially stress:

- the conscious and purposeful interaction between economy and science,
- the increase in the economic effectiveness of research,
- coresponsibility of production for ensuring the scientific headstart for basic research,
- development of significantly more extensive exchange of cadres between Academy institutions and combines--which is an irreplaceable source of intellectual communication and experience for both partners.

In developing the coordination and performance contracts, we have made the experience that especially thorough conceptual preliminary work is required to determine the content priorities of the research cooperation. Since the research potential of the Academy is supposed to contribute as effectively as possible to the development of the performance of the economy, priorities must necessarily be established. They result in the first place from

- the orientation on the key technologies, i.e. on those technical-technological directions which determine the scientific-technical and economic standard of the production of many branches or of the economy and other social areas as a whole;
- concentration on the fields of science disciplines most productive in terms of discoveries, from which develop the new beginnings for applied research and technical-technological development;
- assuring a multivalence as broad as possible in the applicability of the research results in the various branches of the economy and social areas.

Starting from these criteria, in the planning of long-term directions of basic research not only coordination with the combines is required but also at the same time coordination of complex tasks and of entire fields of research with the State Planning Commission, the Ministry for Science and Technology, and with other state organs. Here very fruitful relations have developed over the past few years, which have stood the test especially in determining significant tasks of the economy as a whole. For example, material research with its results extends into a great many branches of the economy and combines.

Of course, this close interlocking with the practice does not relieve the responsibility which the Academy shares with the universities and colleges as well as with other research institutions of our country to venture into unknown territory and to expand the horizon of knowledge. Tasks of exploratory basic research, of the theoretical and methodological development and deepening of the special fields occupy a firm place in the work of our institutes as regards content and volume. But practice in particular raises many new questions, frequently those richest in problems, for basic research, for the latter is, after all, the touchstone of all true scientific progress. And not least of all, production provides research with considerable material means and instruments without which a science of high standing simply cannot exist.

Looking at the Future

Tomorrow's GDR basic research builds on basic research of yesterday, develops on basic research of today and must aim for the basic research of the day after tomorrow. Thus biotechnology of today is based on the results obtained years ago in the exploration of the structure of genetic materials and of proteins, of genetic codes, of cell metabolism and by other findings. Today basic research directs its efforts towards specific change in the hereditary information as well as towards transfer and expression of genes in foreign cells, whereby what is involved is the exploration of the mechanism of action and of the mechanisms of the complex processes that occur in microorganisms, in vegetable and animal cells. This work leads to many fields of application--from the microbiological and biochemical industry to agriculture and medicine. The sights of basic research are set goals which are unlikely to be available until the mid- or late nineties, such as as the use of biological principles of action for information technology, artificial photosynthesis, stopping of the activation of the oncogens of human cells and the like leading to malignant growth. What is outlined here for segments of modern biological sciences applies to natural sciences in general.

The social sciences face no less important challenges. They have to perform more profound research on the socioeconomic and intellectual-cultural development in its diversity and complexity and raise the theoretical and practical importance of its results. The social science research at the Academy of Sciences--incorporated in the GDR Central Research Plan--deals especially with research on the fundamental question of our time, the maintenance of peace, with questions of the shaping of the developed socialist society in its complexity and with directions, requirements and driving forces of scientific-technical progress in its organic unity with the advantages of socialism. Of growing importance is interdisciplinary research on complex social processes

which, in coordination with natural-science--mathematical disciplines, lead to results directly affecting practice.

Mathematics and natural sciences frequently achieve their economic or broader social effectiveness only through techniques and technology, whereby technology, too, has to carry out genuine basic research. In particular the amalgamation of physics, techniques and technology or of chemistry, techniques and technology in each case has led to revolutionizing industrial developments and in return has also stimulated science. Let us recall only fields such as mechanics, optics, acoustics, electrical engineering, thermodynamics, pharmacy, agrochemistry, carbochemistry, polymer chemistry, nuclear technology, and many others. And at present microelectronics, optoelectronics, gene and cell technologies revolutionize large social or economic fields as well as the methodological-technical tools of mathematics, the natural and technical sciences themselves. Branches of the social sciences, too can no longer manage without effective information processing technology.

Tomorrow's GDR basic research must fully take into account this interlocking of science, techniques and technology. To a specially dynamic development are subjected in this context

--microelectronics and optoelectronics. Included here is work on new substrate materials for components, for maximum integration up to submicrometer range, to fiber optics transmission, to optoelectronics components for fiber optics and laser technology, for the development of sensors and acoustoelectronic components, for power electronics, etc;

--information processing and information technology. With the preparation and introduction of data and image processing technologies, with the simplification of man-machine communication and the creation of systems of knowledge processing, of data banks and computer networks, job-related information processing as well as integrated digital transmission of speech, text and pictures will be broadly applied in many fields. The intensification effects that can be achieved are documented by the systematic introduction of the CAD/CAM technology in the production-preparatory sections or in production itself;

--automation of complete assembly lines using fully integrated measuring and control technology and robotics; it is a current work object in research and industry. Flexibility and manageability are characteristics of modern production technologies and processes. Aside from an adaptive measuring and control and regulating technology and intelligent robotics, they require designing of modularly and hierarchically arranged production systems. The complex as a whole includes very ambitious tasks for mathematics, computer science, cybernetics, physics, technology and other disciplines;

--energy and material management. In the GDR they are closely linked; lignite is, after all, our most important source of energy and at the same time the initial material for carbochemistry, which is growing in importance. Energy industry questions to research are directed towards the following main problems:

1. Scientific analysis, theoretical penetration and optimization of energy-intensive technological processes building thereon, especially of metallurgy,

chemistry, the glass and ceramics industry and the energy industry itself. What is important in this connection is decisive progress in lowering specific energy consumption of techniques and processes. 2. Development of processes and technologies which permit reduction of exploration, production and processing expenditure of lignite or natural gas. Furthermore, economic, acceptable solutions for the extraction of materials from raw lignite prior to its use as energy. 3. Preparation for use and economic as well as safety optimization of nuclear energy installations. The share of nuclear energy in the GDR energy balance will grow. Regenerative energy sources will be able to meet only a few percent of the energy demand. The basic research is integrated in all these fields; furthermore it searches for possible new principles of action in energy transformation, transportation, and storage as well as for improved principles of regulating and controlling big energy systems;

--exploration, extraction, and utilization of additional domestic raw materials. Our attention is devoted especially to ores, mineral and organic materials. Growing importance is also devoted to secondary raw materials. New physical, chemical, and biotechnological extraction and beneficiation and manufacturing processes permit even now economical extraction of useful materials from low-grade ores, from waste dumps and waste water as well as the lowering of the specific energy use in further processing. Development of the theoretical bases and the discovery of new methods and technologies are promising beginnings for the further scientific exploration of this field;

--the materials and the special refining of raw and basic materials. As regards its research work, this field extends very far into the future. Although it is frequently still based on an empirical or semiempirical foundation, it is predestined for profound theoretical and experimental work by research. Starting from the increasingly better characterization of materials and materials systems, the discovery of structure-property relations serves the specific development of materials with defined parameters and thus of materials for specific fields of use. Great importance is achieved by high-purity materials, e.g., for microelectronics and optoelectronics, construction and special ceramics for various branches of machine and equipment production, magnetic and superhard materials, composites and the like. Material, product and technology development are to be viewed in close interaction and scientific research in them is to be performed in a complex manner. For example, new technologies are necessary if the valuable properties of amorphous metals and alloys are to be made available for broad application. The interaction of high-energy radiation with materials or the physical and chemical processes occurring on the surfaces or at the interfaces are further productive fields for exploratory basic and for applied research;

--biotechnology. The link between biological sciences and technology, which has traditional branches in agricultural and medical technology as well as in fermentation technologies, achieves new importance as a result of the now emerging biotechnology. Not without reason is it classified in the group of key technologies which achieve further importance for the future beyond the mentioned directions. Thus the use of gene and cell technologies for the genetic alteration of plant and animal cells will have radical effects on plant and animal production. The transfer of genes, which determine yield and resistance properties, the establishment of virus free cell lines, the in-vitro cultivation

of entire plants from individual cells, their multiple reproduction and culture in climatic chambers even now determine the development of the cultivation of plants. This will be a productive field of research for us. The same applies to the use of plant cell and tissue cultures for the production of complex chemical content materials, e.g. alkaloids and glycosides, which are important as pharmaceutical agents. And just as promising for the future are research in the integration field of cell and gene technologies on the one hand and of the development biology of animals on the other hand. By in-vitro fertilization and cultivation of egg cells, by gene transfer in such cells, by the possibilities of egg transplantation and other technologies, decisive new approaches to animal production become available.

Progress of the modern biosciences has an effect far beyond biotechnology. Of special importance is the research on the chemical regulation of biological processes (by growth, differentiation, reproduction, immune reactions, functional processes of the brain, on heart, circulatory system, on hormonal control, and others); their clarification permits an ever more specific influencing of pathological changes.

With the Strength of the Common Interests

Research that is to disclose new horizons of knowledge and to decisively advance the process of social development requires far-sightedness, critical judgment, and readiness to assume risks. Qualitatively novel solutions in techniques and technology also assume a broad field of search of the exploratory basic research. Not rarely the interfaces and border regions between the individual disciplines prove to be especially productive. Therefore we regard it as an important leadership task of the Academy with its various fields of science to bring together the potentials of qualified disciplinary research on complex research tasks with great social importance and for the solution of fundamental problems of the sciences. Thus, e.g., mathematicians, cyberneticians, physicists, chemists, engineers, economists, and scientists of other fields of specialization cooperate in a "complex microelectronics research task." An analogous situation arises for other such complex research tasks, e.g., on the fields of materials, biotechnology, ecology, and environmental protection.

GDR basic research takes up the challenge of the present tasks of scientific and social development just as those of tomorrow and the day after. A scientific headstart must be achieved over different time periods. A new idea of today frequently is not verified by research until years later, so that new techniques and technologies can be developed on them. To accelerate the pace of transition as far as possible is a common task of basic research and production. Not rarely, --the history of science shows--breakthroughs in knowledge succeed where they had not been expected while, on the other hand, results that had been expected long ago were not achieved. Thus, e.g., the rapid development of the gene and cell technological possibilities had not been foreseen at all while conversely the technological achievement of nuclear fusion had already been predicted for the eighties, but is now not scheduled until the turn of the century. But we must always expect this difference in the internal dynamic of fields of science and react flexibly to it.

Basic research for the GDR of tomorrow signifies at the same time for us close coordination of the cooperation with the great research potential of the USSR and that of the other socialist countries.

The Academy is linked to the academies of sciences of the socialist countries by bilateral and multilateral contracts. Our institutes likewise participate in the achievement of government and CEMA agreements. More and more the concentrated treatment by project of key fields of scientific-technical progress is a dimension that determines effectiveness and pace. In the CEMA complex program of scientific-technical progress until the year 2000 adopted at the end of 1985, the thrust for the joint research and development work is fixed. With this program and the economic and science strategy of the GDR closely correlated to it, we pursue the aim of placing the scientific-technical revolution in the service of man, of strengthening socialism and safeguarding peace. The GDR basic research of today, tomorrow and the day after tomorrow is committed without restriction to this highest social goal.

FOOTNOTES

1. Karl Marx, "On the Criticism of the Political Economy (Manuscript of 1861-1863)" Marx Engels, complete edition, second section, Vol 3, Dietz Verlag, Berlin 1982, p 1917.
2. Cf. Articles of the Academy of Sciences G1/1982, "Firm Link of Party and Science; On the Visit of Erich Honecker, General Secretary of the SED Central Committee and Chairman of the GDR State Council to the GDR Academy of Sciences on 12 Nov 81," p 9ff.
3. Cf. "Concerning the Preparation of the 11th SED Congress, From the Speech of Comrade Erich Honecker," Dietz Verlag, Berlin 1985, p 24.

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ECONOMY

HUNGARY

RADICAL REFORMIST RAPS REFORM, PERSONAL MUZZLING

Introduction to Liska's Comments

Budapest MOZGO VILAG in Hungarian No 3, 1986 pp 66-95

[Experiments and Reform. Tibor Liska's Comments on Tibor Liska's conception of enterprise and its criticism (Interview and Study); by Zoltan Farkas]

[Text] Antecedents

Unintended by the Editorial Board a strange debate--or dialogue--has begun to unfold on these pages. In his article 'Reform Age?' (7/1985) Istvan Lazar has attempted to embed the histories of two radically novel social reform concepts in the whole of the reform process and to throw light on the nature of the 'drag' and its presumable causes (meaning the presumable motivation of those dragging their feet). The analyses of the experimental school reform at Szentlorinc described as 'of significance in the history of pegagogy' by him and of Tibor Liska's experiments in enterprise research have roused the interest of Jeno Barsony, one of the 'star witnesses' (Tales From the Depth. Comment on Istvan Lazar's article 'Reform Age?' /10/1985) Both authors remarked on the fact that the prime mover of one of the two experiments--to quote Jeno Barsony 'its prophet'--was not doing much publishing or rather would publish, if he were allowed. So in the absence of literature they themselves have inevitably become interpreters (reviewers) of Tibor Liska's ideas. This has suggested to me the idea of offering space in MOZGO VILAG to Tibor Liska and to ask from him for the purpose of publication one of his comprehensive studies not yet published--of which there are many indeed. Let the reader regard this as a kind of experimental enterprise or entrepreneurial experiment.

It was first on the cinema screen that I saw Tibor Liska, playing the part of an engineer-economist in Peter Bacso's outspoken and successful film "Breaking Free," but I understood little of Liska's ultra-rapid speech...His sarcastic observations stuck in my mind only because the script of the film was later published; since then I know that his words in the film had been written and improvised by him.

Ten years later, in the autumn of 1981, I was one of hundreds of people at the University for Economics trying to accustom ourselves to Liska's thoughts, more precisely trying to understand them. At the time those were strange public events for the then twenty-thirty years old generation of the intelligentsia; one encountered at those debates admirers and influential leaders, officials and free-lance persons, scholars and bluestockings, believers and unbelievers. Usually, Liska's closest associates, members of his Group for Entrepreneurial Research and the first experimenters spoke. If somebody blundered unprepared into such a debate--let us say between Ivan T. Berend and Tibor Liska or Janos Kornai and Tibor Liska--he would be completely lost. Understanding was facilitated by the 'Figyelo' publishing Janos Kornai's study on Tibor Liska without any delay and by the duplicated copies of Liska's response to this being somehow accessible. At that time other articles by Liska were also circulated.

The informality of the debates sprang, of course, primarily from Tibor Liska's personality. When in October, 1985 we made up our minds to do this interview, it was inconceivable to strike an official tone and use the formal address for that would certainly have marred the interview.

'Reform and Experiment'

Budapest MOZGO VILAG in Hungarian No 3, 1986 pp 66-95

[Interview with Tibor Liska by Zoltan Farkas]

[Text] Zoltan Farkas: Recently even your closest 'followers' have lost sight of you? Where have you been? What has happened to you?

Tibor Liska: Thank you, I am fine--if one considers that I have had two heart attacks and two cerebral vascular spasms, several other serious troubles and some operations. Our Lord Jesus cannot hold the candle to me with his single resurrection--although in his time there were no intensive wards, so after all maybe his feat was the greatest. On the other hand, it is also true that in his time the instruments of torture were not yet so sophisticated. So new weapons have been added to the arsenals of both sides and my survival is the result of a state of balance.

Zoltan Farkas: What are you doing just now?

Tibor Liska: Nothing. In plain Hungarian I am not engaged in any major operation or world-saving--apart from the usual ones. I think, write and read a bit. Sometimes I am invited to give a lecture and if a new enterprise experiment is launched I am in on it--provided I am told of it.

Zoltan Farkas: What has become of the Group for Entrepreneurial Research you were in charge of at the University for Economics?

Tibor Liska: The grant from the central research fund of the Academy of Science was finally discontinued with effect from 31 March 1985. And in September I paid in the sum that had accrued from the sale of our own intellectual products. A tidy sum would have accumulated, but it was snatched in time by bureaucracy. We were told we were now allowed to ask money for the records of our debates because culture was not a commodity--and it was in vain that we proved that the opposite was true. The story behind this is that when public debates began at the university we duplicated everything at public expense. We printed hundreds of copies of the records of the lectures, but they were snapped up like hot cakes for there were times when an audience of a thousand people gathered together to hear the debates. We could not cope with such demand so we began to sell our pamphlets for 10, 20 and 30 forints.

Zoltan Farkas: What was the Group for Entrepreneurial Research like as a venture? What did you get out of it?

Tibor Liska: Those two heart attacks.

Zoltan Farkas: What do you think why was your activity 'scandalous'?

Tibor Liska: I think it would have been overlooked if we had conducted narrow professional debates behind closed doors in a scientific research institute. But you must not take those debates out in the open. We failed to keep our ideas within the circle of the 'anointed.'

Something similar had happened decades ago. Then we were conducting research into convertibility at the University for Economics until one of the then deputy ministers of finance observed that it was a waste of time for not more than five people in the country knew something about it. The ministries had experts for the subject who would never be seduced and those few people needed little room for convertibility. You had to resort to all kinds of tricks to be permitted to start, and conduct, our research.

All the time we came up against that dogma which in my view is the biggest single obstacle in the way of the development of social sciences. It was particularly absurd to hear it when the research into enterprise was being launched. For it was not even clear who were the experts of the subject. We were racking our brains to shape new entrepreneurial ownership relations, but who the hell could have been well up in the subject? I was not for if I had been why should I have wanted to conduct research? You research what you do not know! In the case of entrepreneurial research you could not use the method by which 'you are the clown who knows all the answers.' The picture has to be assembled of thousands of data. Our most successful experiment so far has been the Szentes one. Pal Szarvas, the chairman of the Felszabadulas Co-op Farm of Szentes, had heard me first at a lecture which he left as many minutes earlier as he arrived late because he was a very busy man. But later he chased me up, we met and agreed and in the face of tough resistance he grabbed this opportunity. Well, tell me where is the wizzard cadre official who could have told us in advance that it was Pal Szarvas who we needed for entrepreneurial research?

Zoltan Farkas: Did all your experiments and all the opportunities you had depend so much on chance?

Tibor Liska: Yes, for I had not known the other 20 or 30 agricultural co-op chairmen with whom I came into contact in a similar way, but how could I have known all the 'gebin holders' (person who pays a fixed sum and is allowed to manage for his own profit a catering industry unit or a retail shop), contractual shop managers and the whole caboodle we worked with? The whole bunch was selected by voluntary self-organization we had merely initiated rather than 'in a planned anarchical manner,' nor could it have happened in any other way, this was how it was rational.

Zoltan Farkas: Many people--both members of the profession and outsiders--regard you as a bit of a queer fish and the attention is aimed not only at your theories and views, but also your personality, although not much is known of your career. What is your family background?

Tibor Liska: I was born in Bekescsaba, my father was chief accountant of the Savings Bank in the town. He was the most successful member of a big family of a bootmaker in Szarvas, he had studied at the College for Economy. I have one sister.

Zoltan Farkas: Where does the name Liska come from?

Tibor Liska: It is a Slovak name, it means fox. My grandmother did not have much Hungarian and alas I do not speak a word of Slovak.

Zoltan Farkas: Did you study at Bekescsaba?

Tibor Liska: I did my secondary school studies there and then I studied at the faculty of arts at Debrecen and was a student of old Sandor Karacsony.

Zoltan Farkas: That was a theoretical workshop of sociology or did you get involved in the anti-war movements as well?

Tibor Liska: The whole group round Karacsony were anti-war and anti-fascist so much so that we worried about the old gentleman being taken by the Germans. But he was a fat man and used to tell us that opulent people never became martyrs and just went on saying people were not created for soap-making, although at the time there was not even a hint of Auschwitz. At the time of the persecution of the Romanians (there was some of it in Kolozsvar in 1943) he stood up for the son of a Romanian orthodox priest and would not put up with him being kicked out of the college which was not without danger. He did not tolerate any fascist propaganda or action.

Zoltan Farkas: How did you survive the war?

Tibor Liska: I came to Budapest and was employed as a dispatcher by the owner of a messenger service firm. After the 'nyilas' (arrow-cross) take-over the boss appeared wearing a lieutenant's uniform one day; later he sewed

another pip on his collar-patch and so was a First Lieutenant. He was the CO of the 6th District National Guard Battalion and later of the KISKA (Auxiliary Militia Battalion). Later it transpired that before the Jews were sacked from the army he had indeed been an army officer. He deleted from his papers all references to his being Jewish and organized his National Guard Battalion mainly of deserters and such-like "elements" until he was nabbed. I begged him to let me join his battalion when I had had summons to join several regiments. I was with the KISKA Battalion till the end of the war. The raison d'etre of the battalion was to capture deserters. This we did, but those arrested were recruited to join us because we were under strength. Thus we increased our strength "institutionally" in our raids to some 310.

Zoltan Farkas: You have never been a POW then?

Tibor Liska: No, although we had been ordered to march westward. Somehow very slowly we got as far as Komarom, from where we quickly returned to Budapest. We arrived just before the blockade round Budapest was completed at Christmas. It was I who took a report to the Levente (para-military youth organization) H.Q. to the effect that our horses were exhausted and that we allowed our men to go home to celebrate Christmas and that there was no way for assembling them. There was none in fact. Later I was told to join the partisan federation. But all we had done was trying to save our wretched selves so I did not join the Federation.

Zoltan Farkas: Did you enter politics after the end of the war?

Tibor Liska: Yes. I was Secretary General of MADISZ (Hungarian Students' Association) at Bekescsaba and then when I wrote an article about MADISZ for the county paper VIHARSAROK Tibor Cseres made me stay with the paper. Then I came up to Budapest and took part in the organization of the Dozsa Gyorgy College, but I returned later to write, edit, publish and distribute the paper BEKES.

Zoltan Farkas: Have you taken a degree at the Debrecen University?

Tibor Liska: I did 4 years, but I did not pass my state examination. The fee was 50 forints and it did not seem worth it. In the last year I attended lectures in Budapest.

Zoltan Farkas: Have you been a party member?

Tibor Liska: Yes, a member of the Peasant Party. I did a political school of that party. When "the time had come to go over to the Communist Party" I was at the school and I was not told of the membership meeting in question. Later a temporary suspension of the admission of new members was ordered and not even Andras Hegedus, my sponsor, was able to arrange my admission.

Zoltan Farkas: How did you get to the University for Economics?

Tibor Liska: At the Political School we were alerted one day and we were told to go immediately to the University for Economics because Clerical Reaction was on the offensive. Some of us decided to go and provide the crowd. Somebody was making a speech and the crowd was roaring "Toni, Toni." That was Antal Marias, my later boss and colleague. There I saw for the first time Rudas, Tamas Nagy, Imre Nagy and I thought, if the cream of the communists was going to be at the University of Economics the teaching would be good. I asked for admission to the evening course, but Tamas Nagy and Marias persuaded me to do the day course. They arranged for me to have accommodation in the students' hostel and I and my first wife were granted scholarships.

Zoltan Farkas: In any case in your career there have been cyclic changes of appearance and disappearance. First you published together with Antal Marias an article opening a debate on measuring profitability in the KOZGАЗДАСАГИ SZEMLE (ECONOMICS REVIEW); your next paper appeared 10 years later, the famous and notorious "Criticism and Concept" which was also published as a polemical article. Then you re-emerged in Hungarian films: in the film "Walls" as an extra, in the "Breaking Free" in a principal part. Gyula Hernadi borrowed some of your reform ideas to be incorporated in his novel "Corridors," in which you are named as Sinka, a young economist, a "prophet of reform." Your concept of selling and buying tenancies, council flats, was published in VALOSAG in 1969 and then came another 10 years pause while the devil knew what you were doing. You popped up again at the end of the seventies as the head of the Group for Entrepreneurial Research. What is the explanation of this cyclic progress, what is the logic behind it? I admit, the phenomenon is common in economics, but....

Tibor Liska: The logic of it is that I am here all the time--that is when I am here--and I do the same thing all the time irrespective of whether I happen to call it a pricing system based on world-market prices or calculations of the efficiency of investments or research into convertibility. Actually, I was still a student when I decided that economics was a young discipline and one ought to engage in research to produce material to be taught.... I graduated from the University of Economics in 1952, but even by then I had started teaching Industrial Economics at the Rakosi Matyas Heavy Industry Technical University in the department--if you can call it that--established for the purpose. I was very sorry for the students because that Industrial Economics was a diluted version of socialist political economics poured upon the industry and socialist political economics is in any case a rather thin part of the political economics proper.

We began with the study of the machine tool industry which was then the favourite branch of industry. We decided to draw up some kind of a plan for that industry. I imagined that I would call at the National Planning Office and ask them which were the machine tools we could make profitably and which sell well in the world-market and which are the bad losers. I was told that was what they too wanted to know most. They were just planning, how could they know the answer to my question? But their ignorance was not due to carelessness; they could not know the answer for the prices did not tell you anything about that. Then they suggested that we should not make a plan for the industry rather research it.

Zoltan Farkas: So your first research project was commissioned by the state?

Tibor Liska: Yes. I worked at the Miskolc University till 1956 and that was our subject. After the publication of the article in the ECONOMICS REVIEW I was summoned to the Ministry of Finance to prepare the planned changes in economic management, I was to be head of the Prices Department. I asked what the Prices Department would be doing. "You will develop your sphere of work," I was told. Could it not be done the other way round? Let us see first what the problem is and then decide what kind of organization suited it best or whether any organization was needed at all. I say this partly because in this respect the world has not much changed since then and partly because in order to avert the mortal danger of being made the head of the Prices Department I conceived as early as that the concept of prices based on world market prices.

Zoltan Farkas: Is it true that you joined the party after 23 October 1956 on the last day of that month?

Tibor Liska: Yes, it is. Although at that time it was not considered fashionable to be a party member. Incidentally, I had been a candidate for party membership for more than 2 years. After 23 October a meeting of the party activists in the ministry was called and it elected the party leadership and the provisional revolutionary committee. I was elected to both, also to the party leadership. At that point it transpired that I was not a party member; they were not fussy and admitted me on the spot. So I was first a member of the party leadership and only then a party member.

Zoltan Farkas: Was it due to your moral courage?

Tibor Liska: God knows, but it was quite something. The election meeting of the final revolutionary committee had convened. It was opened by Miklos Pulai who was deputy minister, formerly party secretary. When he started the proceedings by "Dear comrades" there was a noisy protest, although he was well liked and respected; there were cries of "what, you communists want to rule us again?" He was chased off the rostrum together with the whole leadership. Nor was that quite unreasonable for apart from Pulai and myself the toughest boys happened to be elected to the provisional revolutionary committee, the deputy minister responsible for AVH matters and the like. When it looked as though we had not much to expect in any case I began to do a bit of heckling. For instance, it was proposed that we should burn our cadre files and I said let us rather look and see what they contain. They agreed. And so it went on and although I spoke just as rapidly and with a stutter as I do now I was listened to. I argued that 80 per cent of the people attending the meeting had been party members, so not all of them could be scoundrels or careerists. Of course, the comrades could not say "yes, we were." As ill-luck would have it both Pulai and I were elected to the final revolutionary committee.

Zoltan Farkas: Are you a party member now?

Tibor Liska: No, I have never re-joined, although after 4 November 1956 I have been invited to several interviews, but in vain.

Zoltan Farkas: What kind of a job did you find?

Tibor Liska: For a few months after "the regrettable events" I was unemployed, formally not for political reasons, but it did not help that at that time my wife was also unemployed. Then through some connections I got a job with the foreign trade enterprise Hungarofruct as an export clerk, a kind of "rubber-stamp" man. When I stamped a freight-bill the consignment was ready to go.

Zoltan Farkas: You did not do anything connected with economics?

Tibor Liska: Not much. I remember, we had to be in the office also in winter when there was no fruit export at all. We played chess and card games from morning to evening for our salaries. Later, when I applied for a job to do with economics I was transferred to the packaging department, if I remember correctly as a group leader. Later I got back to the industry, to Transzvill. Apart from one week in prison I was allowed to live and to work at liberty, but for a time the area of economics was out of bounds for me. In the end after much ado old Gyula Hevesi engaged me to work in the Group for Research into Industrial Economy.

Zoltan Farkas: It was there that you wrote "Criticism and Concept?" What was its purpose? Did the editorial board want to prepare the ground for the reform, did it want to sound out public opinion or why did it risk the frontal counter-attack that was precipitated by the article? For nobody could deduce from the reception of the article that the reform would be launched in a few years' time....

Tibor Liska: In the final analysis it was not I who was shelved after 1956 but the idea of reform. When "Criticism and Concept" appeared it was seen unambiguously as the sign of revisionism on the march. Even those took fright at it who attached great importance to the cause of the reform. Not to mention those who thought that the end of the system of the "command economy" was the death-knell of socialism as a whole. It is my opinion that the article was published only to provide an opportunity for killing that trend in time.

Zoltan Farkas: You mean that the publication of the article was a deliberate provocation?

Tibor Liska: I think so for I had very many telephone calls telling me to have my own idiotic idea of fun without getting other people butchered and particularly not to kill the reform. It was in vain that I kept saying let us wait and see who would be killed and when. It was always my opinion that certain problems had to be raised openly, even if it involved some danger. For if we keep lying low all the time and fail to show our hand, if we act as cowards, we shall never ever get anywhere.

Zoltan Farkas: A few years ago that article was reprinted in a widely circulated volume of essays published by the Kossuth Publishing House so it was accessible to everybody. Admittedly, by that time the price system based on world market prices you had outlined was already used and what is more that system had realized your more controversial contentions, namely that domestic prices should be somewhere between export prices and import prices....

Tibor Liska: In that respect undoubtedly the world has changed a great deal because, for instance, if somebody were to put forward the reform concept of 1956, he would be told he was far behind the times and was not pragmatic. But then it was 1963.

Zoltan Farkas: That was only 3 years before the party resolution that announced the reform....

Tibor Liska: Yet, politicians warned that we were surrounded by snipers who could hardly wait for us to put forward publicly such bold ideas as prices based on world-market prices, and market economy or convertibility or that socialism needs a more efficiently operating market than capitalism and this kind of thing. Ventures? Today that is the fashion. It was not then; at best we were allowed to talk about having social wealth managed by the person who can make it yield the most.

Zoltan Farkas: Were you not aware of the existence of the reform committees?

Tibor Liska: Of course I was. I knew of Nyers and I knew he was working to prepare the ground for the reform and I sent him materials. At that time his star was in the ascendant, he was one of the Nyers-Friss-Pardi triumvirate. I did not take part in any of the reform committees, but I knew that they had been selected on the basis of one reformer and one anti-reform man lest we reformers be blamed for everything and so that the other camp should also be compromised. There were battles royal fought in the committees for the acceptance of a more market-oriented concept of socialism. Actually the critics of my article--Tamas Nagy and Csikos Nagy--were middle-of-the-roaders; the reform of 1968 expressed their position. I put things more frankly than they did, I professed "more extreme" views. In his article written in response to mine Tamas Nagy said quite clearly that one had to watch lest this "extreme" view was expressed in public for it would politically destroy the reform.

Zoltan Farkas: It seems obvious that those who thought that you could jeopardize the reform as a venture had also some realistic reasons.

Tibor Liska: That is true. Yet it has always been the problem what will the left-wing, the dogmatists say, if we call a spade a spade.

Zoltan Farkas: How did the debate then on prices change into a debate on ventures and in general entrepreneurial research? And how did you get away with your "Criticism and Concept?"

Tibor Liska: The "Criticism and Concept" was published together with two articles opposing it and an editorial comment warning everybody against it and saying that the editorial board had many objections to the article. Not much later at a meeting of party activists--which was quoted in the ECONOMICS REVIEW, you can look it up--the article was strongly criticized by several speakers, including the person to whom Nyers had given the manuscript. Although they were very vociferous, this line failed at that meeting which did not mean that I succeeded....

Zoltan Farkas: What do you mean? Who have failed?

Tibor Liska: This is very difficult to prove from the outside, but the fact is that all at once the tough boys of earlier times disappeared from the central leadership. Among the chief economists of the party those who stuck to the extreme "command economy" found themselves in a minority. So I was right, but still I failed.

Zoltan Farkas: In what did you fail? Were you in on anything?

Tibor Liska: I failed in the sense that the official line in the end did not support an open market price system with realistic exchange rates and on the basis of world market prices, in which the difference would have been only between the price say of onions in Budapest and in Mako because in the former place it is consumed and in the latter it is produced. This market-type idea of venture is not working even today. The fashion today is what I described 30 years ago and it is possible that what I say to day will be the fashion 30 years hence.

Zoltan Farkas: But what of your theories and ideas can be proved right after 30 years? And in what manner?

Tibor Liska: Here is a case in point. We were still hard at work on the index of return in the system of prices based on the world market and I was the specialist on export economy when two chemical engineers from a pharmaceutical factory called on me. They told me they were exporting a medicine made of some basic material imported from a capitalist country. One unit of the basic material cost 10 dollars and the finished product was sold in the same country for, let us say, 8 dollars "Could you tell us whether that is definitely unprofitable for us," they asked me. Buy where was the problem? Where can you find an idiot who buys something for 10 dollars, puts a lot of work and money into it, and then sells it for 8 and then wonders whether it is unprofitable or not? Where is the Uncle Sam who is prepared to finance this?

But they insisted that for them it was good and a bargain. How was that possible? The price relations in the fifties were meant to serve industrialization. The exchange rate used for calculating the price of the imported basic material was 30 forints for a dollar. Ten dollars were 300 forints--that was the price of the basic material in the domestic market. In the case

of the finished product due to the autarkic character of the Hungarian price level which supported domestic industry one dollar was worth 100 forints. So for the product worth 8 dollars they collected 800 forints which amply covered the cost of processing and there was even profit to be made. That is good for us, they said. That was good only for whoever invented this idiocy whatever absurd rule of industrial policy he quoted to support it. The fact that somebody had got price relations hopelessly tangled up, did not mean that we had to convince ourselves that that was good for the people's economy.

"Laci" Lengyel was not far out when he called me in his article published in VALOSAG a Stakhanovite of economics because I have invented how such economic efficiency calculations can be done centrally even, if prices tell a different story. This was, of course a command performance of one of the labour of Hercules for what is wanted is a market price-mechanism and venture and not their substitution by making calculations. In reality there exist to this day preferences and we still cannot ever trace economic efficiency, not even the present state, not to mention what can be expected speculating on price changes. So the answer would be what we are planning to attain by about 1990, that is making prices free; we are moving towards the regulation of internal prices by the exchange rates which would be the basis of the whole price and wage system. Today this rests on very slender foundations so much of the present price system consists of legitimate looting and redistribution which is worse than robbery with violence. I have not changed since I wrote that article. I was no Stakhanovite, I was the same naive child I am today; I wanted to cope with a task, to find some sense in it.

Zoltan Farkas: A small part of your life's work is represented by some experiments and theses. The greatest part is simply not known or what is even worse is known only through interpretations: we try to assemble the bits of parts of lectures and their interpretations so there must be misunderstandings and misinterpretations. Your so-called chef-d'oeuvre, the "Econostat" has not appeared to this day. Why?

Tibor Liska: It could now appear indeed for I wrote it 20 years ago and today there is nothing freaky sounding in it. When I finished it, it was simply locked away in a safe. I was commissioned to write "Econostat" by Miklos Turanszky--the one who was in Lajos Feher's partisan group and took part e.g., in blowing up the Gombos statue which explains his guts--and was at that time the manager of the Investment Bureau of the National Planning Office. He arranged it with the party Headquarters that Liska was to write a study on the reform of the mechanism. I will have it duplicated, said Turamszki. I wrote, he duplicated it and sent it in. Then he was fined 2,000 forints by the personnel department for wasting paper. By the way it is possible that it will now be published in America. But even recently it got me into trouble because the firm System which "put me up" for a part-time job published pamphlets on ventures and I quipped in one of them that we would publish the "Econostat" in the form of a serialized horror story. That was why we had to quit System rather in a hurry together with my second wife. The manager

was of the opinion that we ought to have obtained a press permission but in my view no such permission was needed for lending lecture papers and records of debates for the purpose of a course.

Zoltan Farkas: If one were to draw up the balance of your 30 years of research work, one would find that for all that a number of your ideas have been realized in some form. First and foremost the price system based on the world market or the investment efficiency indices; for decades state investments were judged by such criteria, those have become parts of applied economics.

Tibor Liska: Alas. It is so, that is true and I have already protested against it. For it is one thing, if I want to calculate the efficiency of a lathe, I who have nothing whatever to do with it but it is another matter, if the calculation is made by somebody whose bonus depends upon it. In that case the calculation is not worth the paper it is written on for you can produce any result you want. Later when I was employed by Transzvill people pitched into me: you invented this "G" index why don't you work it out yourself. I did and I came up with the result that the material cost 10 dollars and the product fetched 8. I took my calculations to my boss, who told me to divide the cost of imports by two and multiply the price of the finished product by two and then the calculation would be all right. That is right, one can put anything on paper, it does not protest. And what happens, if you have to send a return to the ministry? You halve the costs and double the revenues--it is a matter of calculation. Paper does not protest and that is where bureaucracy is lucky. But I cannot tell the good seller to sell the commodity for 5 dollars, he would have plenty to say. Nor will the buyer be prepared to pay double price unless he is the official of an autarktic state and is forced to waste money in such a crazy way.

Zoltan Farkas: Let us get on with drawing the balance: this price system is then not quite the price mechanism you had in mind and the calculation not quite the calculations. But what is the matter with your other ideas? Were they not realized the way you meant them to be? The contractual operation that replaced the "gebin," the experiments at Szentes and Boksa, have grown out of your entrepreneurial research; are you dissatisfied with those too? Or is it wrong to compare those venture initiatives to the "Liskaism" which one does not really know at all what it is about?

Tibor Liska: Just as Marx was not a Marxist I am not a Liskaist; what I am doing is so trivial that I cannot see why it should be called Liskaism for--as the saying goes--money was invented by the Phoenicians and barter even earlier. Admittedly, market has developed since barter meant an exchange of stone axes for arrows to the present stock exchange. My assumption is that it could be further developed. Bureaucracy was not invented by us. Parkinson's laws were not laid down in a socialist country, but in Britain at the time of the obvious splitting of management and property. The cases were sifted from the records of the meetings of boards of directors of share companies such as, for instance, "we argued for hours about the bicycle parking shed for everybody was able to contribute to the debate but decided in two minutes on the nuclear power plant because nobody knew much about it." In fact everywhere in the world

decisions are made by chaps who are guaranteed to be ignorant of the subject. That is not a Hungarian or even a socialist speciality but a historical fact. Well I have a shrewd suspicion that this could be improved on. The foundation of that could be an entrepreneurial property involving great responsibility, the gist of which would be that decisions are to be made--not even by the person who manages the property--but by somebody who undertakes in a responsible way (under a guarantee) that he will manage the property with the greatest efficiency and can express this in a competitive bidding: this way you can select the most suitable entrepreneur. Nobody knows in advance who that will be. That is what this system is all about. We play a game by which this can be best approximated. That is the gist of the Szentes experiment and that is how the whole contractual operation idea has started.

Zoltan Farkas: And that yields the absolute greatest part of the profit of the state catering industry; more precisely the contractual shops produce a profit of 13 per cent related to the return from sales while those not operating under contract only a profit of 2 to 3 per cent. But what has made you take an interest in this matter?

Tibor Liska: The fact that I had found employment. Sooner or later everybody wanted to get rid of me because of my "weakness for research." At the Group for Industrial Research they were simply happy after the "Criticism and Concept" when I left them. From my next job with the Industrial Management and Plant Organization Institute of the Ministry of Heavy Industry I had to go under a cloud after disciplinary action.

Zoltan Farkas: And what was the reason for that?

Tibor Liska: Because I was writing the "Econostat." Because instead of the by then obviously meaningless economic efficiency calculations I wanted to prove with the Econostat the superfluity of such calculations. It was a strange coincidence that the firm System was the successor of the Heavy Industry Institute so in that place I got into trouble for the Econostat twice. And yet every time I wrote about trivial matters and perhaps not even in an excessively pompous manner, but they could not put up with it anywhere. Well, to go back to my story I had just been sacked and had nowhere to go at all. I had had jobs in the industry, in trading, in the Planning Office, in the Finance Ministry.... Admittedly, this sacking game did one good thing for me, I had tried a great variety of things. Then I rang up Party Headquarters and asked them to do something with me.

Zoltan Farkas: Did you have any connections?

Tibor Liska: It so happened that at that time Jozsef Kaplar was head of department there and miraculously he asked me right away how urgent the matter was because he was engaged that day, but could I come next day. Well, I could just wait one other day. I called on him and told him my opinion of the economy. Then they created for me that job at the University for Economics. In fact I had worked there before in the Research Group for Economic Policy, but after the spring of 1975 they could no longer accept me.

Research was started at the department for domestic trade and it led to the practice of contractual operations and later developed to entrepreneurial research. I named it so and it was thought strange in the academy--socialist entrepreneurial research? I said "No"--just entrepreneurial research. Today that is the fashion and everything resounds with it. But it is only sound for if one takes a closer look what it is all about, who risks anything, what is there to risk and for what reason, it is not easy to answer those questions. For what does an official who manages public property that is owned by nobody risk? At best he risks somebody else's neck and the wealth of the country. For if business is bad the deficit will be collected by the budget from some other source and the money will be redistributed so that a little is left for everybody. I would recommend personal stakes instead. We ought to get out of this Parkinsonian bureaucracy in which "I make the decisions and you bear the consequences."

When we were racking our brains to elaborate the rules of contractual operation we had to think of something to replace the discredited "gebin" system. This was made easier by many people having a grudge against the "gebin holders" for their business was still more profitable than the "strictly accountable" operations under direct state management....

Zoltan Farkas: More profitable to the "gebin holders," but not to the state.

Tibor Liska: Even to the state. But there were many objections to them, fiddles, abuses, illegal purchase of stocks, defrauding customers, etc. We started research by surveying what were the fiddles.

Zoltan Farkas: Asking them questions and hoping for true answers?

Tibor Liska: On a friendly basis. What is more I even paid for the information using funds of the Academy of Science to size up the black incomes. I was not interested in who had pinched and how much, but in the strategy of fiddles and how it could be prevented. How one could evolve a system, in which I do not drive chaps into stealing saying the more you steal the better you live but one in which incentives are provided for them to manage their units more effectively. For the real danger is that after a certain time even stealing is not worthwhile. A man who runs a shop cannot afford to be spectacularly wealthy for sooner or later he will be nabbed by the auditors. For that is the thing to be aimed at, let him manage his business freely, let him trade and make as much profit as possible without being held back by the fear of the tax office and the police which makes private craftsmen and tradesmen, the "maszek," stop working in November lest their earnings go to the tax office to the last penny. That was when we worked out the public competitive bidding, the underlying principle of which I had laid out already in the "Criticism and Concept."

We emphasized even then that shops should not be let on lease for a rent, but the stake should go to the bidders, i.e., the entrepreneurs should ante the stakes to their own profit. That is essentially different from the entrepreneurs bidding against each other--in the case of contractual operation--to the benefit of the lesser enterprise. For if they have any sense at all, they will reach an agreement rather than making the enterprise richer from each other's pockets. The reduction of bidding to this simple form of lease provides opportunities for

rackets that ought to have been avoided. For all that what you say is true, the "gebin" yielded far more than the ordinary operation, particularly to the enterprises. What is more the enterprises profiting by it are those which-- if one is to tell the truth--are hardly needed at all. This, of course, was firmly denied by the enterprise people. They argued that they were not the only bureaucrats, there were plenty of others; if they did not protect the units coming under their auspices from the other bureaucrats, those units could not exist. So the ideology of a feudal protection emerged; you must have an office doing nothing because there are other offices like it.

So what has happened to contractual operation was that it was devoured by bureaucracy. And as far as the bidding is concerned you bid for a term of 3 to 5 years so everybody settles down for such a period in business. Although our domestic trade bureaucracy is the most intelligent one in this country, it has been unable to go beyond that state of affairs that the shop is state property, it cannot be given into entrepreneurial ownership only leased out by the state. I would not go so far as to say that lease is bad under all conditions. In many cases leasing is good from hiring a boat to the lease of manufacturing equipment, but it is bad in cases when it is necessary to develop the object of lease. If I hire a rowing boat, nobody expects me to return a sailing boat. For if they did, it would give rise to all kinds of confusing problems: such as who would pay for the sails and whose property would they be, etc. All the inconsistencies of the contractual system stem from it being a mixture of hierarchic-bureaucratic central management and playing at lease.

What makes the whole thing obsolete is not its being state owned, but that it is one of those nobody's properties either called state or co-operative. We keep praying to be delivered from over-regulation, but that cannot succeed for it would involve touching state property which is sacrosanct. It is socialist because traditionally it is state, co-operative or communally owned.

Zoltan Farkas: How does private property fit into that picture? What is the personal social property which is the basic category of your concept?

Tibor Liska: The trouble with private property is that, if ventures depend on it, some people are excluded for one needs capital. I am considering freer ways of giving access to capital, a kind of way of training people to be entrepreneurs or beguiling them into ventures. That is opposed to slavery, serfdom as well as state and private hired labour alike. It is good for those who use their loaves, are prepared to take a risk, like to think and make up their minds for themselves. We could increase the segment of the population who get a chance to make a venture. It has already transpired that working men who drive the lorries or run the chicken farms not as hired labourers but as proprietors are far more productive.

Zoltan Farkas: How do you imagine this "touching property relations?"

Tibor Liska: I have in mind the principle of ownership which I have stressed several times: let property not be his who happens to cultivate or manage it, but let him cultivate or manage it who undertakes to do so more efficiently than all other competitors.

Zoltan Farkas: Let it be his or should he be in possession?

Tibor Liska: On the whole what I have in mind is the way they used to make films in the old days. The entrepreneur raised the necessary capital and launched some kind of an association say by issuing shares and finally he added to it his own nest-egg. If the film was a success he made a lot of money and the marginal sum he had put up yielded ample profits and if it was a failure he himself would be the first to become bankrupt. So he had something he could risk. Now if that could be achieved by us, we would have made a substantial progress in the right direction. At Igalpuszta State Farm, for instance, we tried to let a dairy farm as a venture to the highest bidder. The management there did not want to undertake the whole model in its full complexity, i.e., they were not prepared to say that the bidding would be for the capital value. The manager fixed the sum that the dairy farm could be expected to yield and it was to go to the entrepreneur who undertook to pay into his account kept by the State Farm the largest part of that sum. Eventually an unskilled forestry labourer and his team of six won the bidding with 35 per cent. Earlier 16 people were employed in the dairy farm. The manager accepted this because the money accruing on the blocked account was sufficient to guarantee that in case of failure the entrepreneur's money would go down the drain and not the State Farm's money. In brief they won the bidding and grew rich on the venture. The forestry labourer had nothing to his name at the time of the bidding so undertook to accumulate capital continuously and that was his stake. This was an incentive very different indeed from that of a hired labourer. It had been in fact due to hired labour that the farm unit had to [be] worked by 16 people so that the chief stockman, the inspectors and auditors could find people to chaise around. This entrepreneur, however, waited for the visits of the chief stockman like a patient his doctor. He had seen cows before, but he certainly needed guidance in a dairy unit equipped with milking machines. Earlier the unit had been a losing business now it began yielding profit and the forestry man earned enough money to buy a small dairy farm of his own. In my opinion the same could be done in countless other units of farms or enterprises. Such marginal proprietary responsibility means a very different kind of incentive and would solve the problem of only people who already have capital, the wealthy people, being in a position to venture upon an enterprise.

Zoltan Farkas: So the question of guarantee has to be answered on the one hand and rules of the game irrespective of property status and privileges have to be worked out.

Tibor Liska: The most exciting question is undoubtedly that of guarantee. It would be a good thing if every member of the intelligentsia or leader of workers' brigades or just every intelligent person had the necessary capital, at least sufficient for a marginal investment. But what is one to do, if he has nothing at all? At Igalpuszta the forestry labourer won the contract before people far better qualified and with a better credit standing; the others did not undertake the 35 per cent rate of saving, yet the money accumulating on the blocked account would go to the entrepreneur in the end, he was putting it one side for himself but at the same time it constituted the guarantee for the state farm which it could invest. When we asked the man how far he would have gone in the bidding, he answered to a 100 per cent. But if you had tied up all your income, how could you make a living? we asked. "Oh, that is only the dairy farm, but then there are also the pigs."

If one has no capital it is not only a disadvantage. Since the demands and the consumption of such people are usually smaller than those of well-to-do people, they are in a better position in the bidding. So in this system the poorer can turn into entrepreneurs, in fact can sooner become entrepreneurs than the affluent. It is probable that the result that can be attained in the long run, the long-term market result, will coincide with economic efficiency. At present the long-term increase of capital value is the least misleading index of efficient operation or otherwise. For this, of course a capital market is needed, what is more a capital market more advanced than the stock market. Something like that is the Cassa-nova which I should like to experiment with now.

Zoltan Farkas: A stock exchange?

Tibor Liska: Perhaps even better than that. For what do you have at a stock exchange? I can follow through it the capital value changes of a whole joint stock company, but that is not a measuring instrument of absolute precision. But the stock exchange does not provide an answer to the question that is the greatest concern of a company management, namely which part of the business is not doing well, which part of it is losing money. An experiment was going to be started in the Iron Works at Dunaujvaros. We asked how the various units could be made self-accounting. We were told that in the old times before the country's liberation, if material was moved from one place to the other, it had to be weighed. But when the last minute rush to fulfill plan targets was on them, the scales were thrown out so that quantities could only be estimated. For an enterprise to work efficiently and for making anybody responsible for faults you have to be able to measure things and divide things inside the factory. But we shall have to develop an inner system of incentives more advanced even than self-accounting.

Such inner division exists, of course, everywhere, it is aimed at by every manager, but it is done by appointment. Comrade Kovacs will be the manager of this factory unit and Comrade Kiss of that one. Such hierarchy is a somewhat decentralized hierarchy, the trouble is one cannot introduce into it incentives in the conventional manner. So one has to define by experiment such units

financially responsible for ventures. What one needs is an advanced stock exchange in which smaller units would also be judged by their performances. Natural even a market like that would not be free of contradictions, but they could find expression perhaps in somewhat more effective conflicts and such a market would be better organized.

Zoltan Farkas: Have you had any failures in your entrepreneurial experiments, in Szentes, for instance?

Tibor Liska: The trouble is we have not had enough of them. It has worked perhaps too well, perhaps suspiciously well and particularly in the beginning. The effectiveness of a system of selection cannot be judged by the lack of failures. It is not true that where there are failures there is trouble. The hell there are. Quite the contrary. Where managements take risks failures are natural--one gets away with it, the other does not. Trouble starts if the unsuccessful do not fail because Uncle State gets them out of the trouble, lends them a helping hand and supports them till doomsday. It does not matter if they make 8 dollars out of 10 and then six and only four and so forth. And that will inevitably lead to losses and debts.

Zoltan Farkas: So you believe in bankruptcy...But how far? Would it be cut-throat competition or tightrope dancing?

Tibor Liska: Yes, let him who mismanages things fail, if the selection by the market works effectively, but I do not want the tightrope dancer break his neck, let us have a safety net under him, from which after a fall he could climb up again.

Zoltan Farkas: Is that a metaphor or could it be done in practice?

Tibor Liska: At Szentes, for instance, we have tried--and that is hardly the perfect solution--to have every unit of assets (lorry or chicken pen) taken over as a venture at a certain capital value. The entrepreneur who bid the highest capital value won the venture. The bidding was aimed at the capital value observing the principle that "what is bid will go to the bidder." So what people bid they bid for themselves, it would be held for them in a blocked account and yield interest at a rate we called "balanced." At Szentes it was 20 per cent. Every entrepreneur, or venture, had a credit fund assigned--not very much. If in a given period the expected returns failed, they could draw from that fund. If that too was exhausted he or it was a failure.

Zoltan Farkas: Were they then wound up or what happened to them?

Tibor Liska: Either the venture was taken over by somebody else or a new competitive bidding was held.

Zoltan Farkas: Why do you so emphasize that at the bidding what is bid goes to the bidder?

Tibor Liska: For if performance cannot be claimed by the person who has produced it, why should he produce it? And on what grounds can I then claim that there is also property justly held? So property has to be divided up among the individuals which is indispensable for teamwork and what is more it has to be divided up properly and not by somebody pronouncing that this is a good player and that is a bad one. To stick to the metaphor teamwork helps the individual and the community, if the ball is passed to the individual in the best position. If the individual is not so rewarded, it is to be feared that teamwork will never take shape.

Zoltan Farkas: This principle then would mean personal incentives, personal participation and a source of accumulation. The individual, the entrepreneur, could participate in new ventures on the basis of his income accruing on what you call his "moral capital" account.

Tibor Liska: Even the word incentive I find a bit suspect for in general it means getting a share, i.e., somebody gives you baksheesh to increase your concern. It is better, if you achieve that yourself because then it is not sharing out but exchange. If the bidding does not go to the bidder, there will no development and investment.

Zoltan Farkas: What realistic opportunities--I mean things that could be introduced today--are inherent in this kind of venture?

Tibor Liska: Big factories are also suitable for this and one could organize in them internal ventures--and not only the rightly praised but really abortive economic working groups (GMK); viz. that after an eight-hour working day you can go not only to your lover or to do some fishing, but you can go on working provided you have had a good rest during your eight-hour proper working time. Why could not one undertake a venture in the normal worktime?

One could get rid of this whole bureaucratic management by giving the shop, the pub or the factory unit to the person who can make it yield the highest profit. That was the game we played at Szentes and Igalpuszta, the unit went to the entrepreneur who could make it yield interest at the highest capital value. At worst he failed. But everybody decided for himself whether he wanted to try a venture or not. Nobody was appointed or elected. Of course, one could go on talking and arguing about this until doomsday, but Baksa, Igalpuszta and Szentes are not enough as cases in point. To arrive at a realistic conclusion one would have to make hundreds of experiments and then perhaps one could decide what of it is meaningful and what is absurd.

Zoltan Farkas: Your ideas are too thorough-going and profound to be discussed only in terms of models, experiments and reforms. How does all this evolve into a social philosophy, a social model? How does one extend the rules of the game?

Tibor Liska: The most important thing is the establishment of the social inheritance--when the emission of money is a human right and not the right of organizations. The emission of money should go together with the begetting of children, i.e., conceiving should mean the creation of money.

Zoltan Farkas: Just how do you mean that?

Tibor Liska: When a child is conceived a certain sum that would ensure his or her existence to the end of life, let us say a million forints--should be credited to it. So a child is born as a millionaire. This could take the place of the family allowance and other benefits that are due to him. On the other hand there would be no free kindergarten, school and health services; those could be financed with the social inheritance. In this manner even things we do not even dare to think of as such could be made objects of market exchange and of stock exchange transactions....

Zoltan Farkas: Could you go a bit slower. You would have a social inheritance capital that would be yours from birth to death. Is that the per capita national wealth?

Tibor Liska: Yes, but that is a very crude approach for what we mean by national wealth today is only a very tiny part of the whole which includes only natural factors but not even all of those as we leave out the land, the environmental values and particularly Man. For we account for Man in the labour balance rather than the balance of the national wealth.

Zoltan Farkas: Should we turn also man into a kind of item of wealth?

Tibor Liska: Yes, for "man is the highest asset." But only in the slogans. Let us take a look at how much a person is worth, if he or she is Hungarian? Let us express the value in forints. How this could be calculated? And how much of the social inheritance could be consumed, only its interests or more than that? The answers are matters of method, they form parts of the rules of the game, and I could imagine thousands of variants, but none has been so far elaborated. It is not even worth the trouble to make such models in theory for it would be an academic game, a fantasy, while I am concerned with how much of it could be translated into practice in our present society. So it ought to be tried out.

Zoltan Farkas: So schooling and education are to be financed by the social inheritance.

Tibor Liska: Yes, and if the individual so chooses he can use it to play dice or back the horses, but it ought to be made sure that one part of it is somehow "entailed"--a capital whose interests would ensure a minimum of existence. This way you could have people deciding on their own actions and not others deciding their fates. With the social inheritance you could take the sting out of the whole system of redistribution--so everybody would be born as an owner of capital. This is not simply a sharing out of the national wealth rather including in the national wealth everything we have.

In other words we would make the coat part of the national wealth not only the button as it is done at present. I contend that unless this is put into operation and the rules of that game are worked out--unless we create a new Magna Charta--the whole problem will become unmanagable and insoluble.

Zoltan Farkas: Let us see then: there is a social inheritance which pays for our growing up and education and then having completed our schools we enter life, we start as entrepreneurs....

Tibor Liska: You do that already at school. So far I did not have the courage to say that even school and kindergarten children are entrepreneurs--for not even I can be so apolitical--yet that is what it is all about: children should decide themselves what they want to consume and how much.

Zoltan Farkas: So it depends on the success of ventures how much money is accumulated on one's moral capital account?

Tibor Liska: More or less. What is important is that there is an initial capital which has a value including the accumulated interests and which goes back when I die--I cannot leave it to my children, it goes back to society. If I accumulate more than this interest added value of the initial capital over my life, that part of it shall be inherited by my children or heirs. The sum that goes back to society would be by definition more than my social inheritance has been and that will be the initial capital of every member of the next generation due to them from the day of their conception.

Zoltan Farkas: In fact the practical elements of this model have been from time to time introduced. But how many people, and who, have accepted that this is a way in which society can operate? For that is a bit different from your experiments at Szentesz....

Tibor Liska: If "Heti Vilaggazdasag" can write about domestic joint share companies and leasings, other editorial boards cannot say that this system of bidding is madness. As the political atmosphere is growing more mature, so can I get closer to--I may say so I ripen into--politics--although it is not exactly good tactics to claim such a thing.

Zoltan Farkas: The reform itself is a strong interference with people's lives and with property relations; the introduction of those rules of the game would also constitute a crude interference. Where is the limit of interference? Ought it to be made somehow compulsory?

Tibor Liska: I would strongly protest against that. Ventures cannot be undertaken as if by command. A kind of colonist relationship had to evolve which led to the collapse of slave societies and to feudalism. In plain Hungarian, this must take shape in the womb of a society, in the beginning even in such distorted shapes as contractual operation, economic working groups or self-accounting. Today there is an economic pressure for more efficient or profitable structures to take shape.

At one time we thought that the market would compel the large organizations to operate more efficiently. What has happened in fact was the reverse: the big organizations have squeezed out the market and have created this redistributive system. I have tried to evolve something different for there is a need for it; and this will go ahead not because I say so or other people say so, but because it is so trivial.

When in 1963 I first suggested the competitive bidding, every intelligent economist considered it absolute nonsense. What is bidding? If people will just have to call figures, the least responsible person will get the shop. It turned out eventually that people are rather reluctant to call those big figures, if they know that it involves payment. Contractual business has yielded even in this form a great deal, certainly more than if it had never been tried. One day those ancient beliefs, that market is a capitalist thing and so is venture opposed to which there is the socialist kind of welfare, will be left behind. It has been found that state cannot exist unless actual revenues are created by ventures, it has no other revenues to live on. The gist of a venture is destroying earlier values so as to create greater values. I have heard it from very decent people that the population of this country are not guinea-pigs to experiment with. All I can say is that indeed they are not for if they were, one could use only guinea-pigs for experiment and only a very few. But then why are experiments made with the whole country day after day when they bring in modifications of the regulators? Those affect everybody. Why not do a real experiment instead? Not ordering it, but letting those who want to try it.

The situation has always been full of contradictions. When the Szentes experiment was launched the authorities said it was all right, but the decision should not be made by the management of the collective farm or its party committee, but by a meeting of the members or their representatives. A few days later at Bekicsbaba--and perhaps also elsewhere--meetings of members' representatives voted for the experiment. Thereupon the economic politicians in the county stated that as long as they were there there would be no experiment at Szentes. And that was it--"ausradieren."

Eventually the Szentes experiment was started after we had called together in the White House the people whose support we hoped to win: Juhar, Pulai, Albert Racz, Sziksza, the deputy head of the department at the Central Committee who was in charge of reform matters, and others. The crowd was not large enough to hold the meeting on the Vermezo or even the indoor sports hall. There were some who missed the meeting. Some took umbrage and obstructed the experiment from the word "go." Generally they did not oppose it personally; they sent messages to the counties and the collective farms and they commissioned the Department for Marxism to start counter-research urgently--we had rows with a number of people. We ourselves were aware of the open problems, but knew that those could not be resolved without experiments. One experiment does not make much difference, not even five experiments. What was there to lose? Nothing. Although, I do not think that they are afraid we shall lose, they are afraid of what will happen if we win: what will happen if it is found that this is far more profitable? They would lose a great deal of face.

Zoltan Farkas: Your experiments have been noticed also abroad. The Ivan T. Berend v. Liska debate at the University was covered by Austrian television. On the occasion of the Marx centenary celebrations a long article about you appeared in the ECONOMIST with a curriculum vitae and a review of your works. Was that review realistic in your opinion. For N. Macrea, the author, stated: "This is the only kind of socialism that will work..."

Tibor Liska: There was one inaccuracy in that. For the General Editor of the ECONOMIST wrote that my living conditions and way of life would lead probably to a heart attack. This sinister prophecy has been proved unfortunately to be an understatement for I have had two heart attacks and not one. One cannot trust the absolute accuracy even of the forecasts made by the ECONOMIST. Yet, that heart attack was actually connected with the fuss around Macrae's lecture. We had announced it giving time and subject, but where the hell it would be held, in Budapest or London or elsewhere we were not in a position to say. We could only give a telephone number. By that time we had been ousted from all premises at the university and the academy lecture hall in the Var. In the last minute, as a result of a personal intervention by Miklos Pulai we got the assembly hall of the Chamber of Commerce, but that transpired only on the day of the proposed lecture. We managed to inform the audience over the telephone. Such unpleasantness did wear me down a bit.

Zoltan Farkas: Despite your trials and tribulations you have always had supporters and even party connections. Although you are not a party member, you have applied to them for help on several occasions. Are those due to old acquaintances? How have you managed to remain the kind of person who can always talk into party Headquarters?

Tibor Liska: I have good personal relations even with people I did not know earlier. When we were making those calculations on economic efficiency Ferenc Janosi--who was at the time an official of the Central Committee--called me to see him because he too was thinking in terms of world-market prices. But the truth is that I did not have connections, but whenever the cause of the reform was making progress, I was sought out even by people I did not know, like Janosi. We tackled writing the study also together, but eventually I wrote "Criticism and Concept" alone because he would not have written it in that form, perhaps--in view of his office--he could not have done so. But even decades later when Csikos and his crew were working on a price reform I was sent the material to report on it and Nyers invited me to attend the debate as well. In other words, whenever we seriously tackled the reform I was always sought out if not as a potential ally, but as somebody who can speak on the subject.

Zoltan Farkas: Have you any idea how many people you have convinced in the course of the debates? How many believe you without reservations?

Tibor Liska: I hope not too many. For I myself do not believe in this thing without reservations. But not even my opponents have disputed that the target of the research, the intention, has been useful. Even those who obstruct it know that it is a good thing. When we were not allowed by the Ministry of Agriculture and Food to expand the experiment at Szentes we were told over the telephone by the senior official who had rejected our application apologetically that everybody in the ministry from the receptionist to the minister knew that this was a good thing, but could we please understand that he was an official who had to sign the letter rejecting it.

Zoltan Farkas: What odds do you give for those experiments to spread and develop further, in general for anything else of the working plan the Entrepreneurial Research Group to be realized?

Tibor Liska: I do not really know. Now there is a debate on who should do what. The game of blaming one another is going on. Scholars say that this is something for central economic management to deal with for they control legislation and so on. They pass the buck to the reformers who can invent only what has existed for at least a hundred years: shares, stock markets and that could be introduced. But not even they know how one could develop by experiment a capital market more advanced than the existing ones. Let the scholars do that--they say. This debate will last another 20 or 30 years and then these ideas will be dug out from a limbo so that I am optimistic.

Zoltan Farkas: Is Szentes still going on?

Tibor Liska: Yes, but still in the primitive form as in the beginning.

Zoltan Farkas: And Baksa?

Tibor Liska: Perhaps even that still exists.

Zoltan Farkas: And Igalpuszta?

Tibor Liska: That I do not know.

Zoltan Farkas: Anything else?

Tibor Liska: We are now trying something at Miskolc, but it is just a beginning, too early in the day what will come of the otherwise very promising intentions.

Zoltan Farkas: You are over 60. Will you retire and if so from where?

Tibor Liska: No, I do not want to retire. I have a promise that I shall not be retired.

Zoltan Farkas: From whom? Who is your employer?

Tibor Liska: The Rector of the University for Economic and His Scientific Assistant made this promise when they called upon me to return the money we had collected for our materials. It was in vain that I had deposited it in the Savings Bank with a view to spend it on the funds for entrepreneurial research. Finally we agreed that I would stay at the university to the end of my life and would not have to retire and in this and in many other matters I have been sincerely helped by our party secretary and many colleagues.

Zoltan Farkas: Do you draw a salary?

Tibor Liska: I get a tremendous salary of 9,150 forints per month. But there are only 8,540 forints in the envelop on a pay day.

Zoltan Farkas: So you have been sentenced to work to the end of your life?

Tibor Liska: Yes, but for the time being I am not doing very much. That is a kind of tacit arrangement.

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ECONOMY

ROMANIA

PLANS TO IMPROVE EXPORT ACTIVITY IN ELECTRONICS INDUSTRY

Bucharest REVISTA ECONOMICA in Romanian No 11, 14 Mar 86 pp 10-11

[Article by Dr Sandra Arsene, "Stefan Gheorghiu" Academy: "Alignment of the Export Supply With the Requirements of the World Market"; first two paragraphs are REVISTA ECONOMIC introduction]

[Text] One basic orientation of the current 5-year period consists of Romania's more and more active participation in the world economic circuit. With the whole process of economic growth being centered on accenting the qualitative aspects--growth of an intensive type--the activity of exportation will reflect to the full the process of restructuring and renovation. One essential dimension of this process is the development of electronics, which will penetrate deeply into all economic and social activity, it being oriented toward the priority development of the production of electronic components, means of automation, and equipment for industrial and professional electronics. According to the Program for Improving the Technical and Qualitative Level of Products up to 1987, in the electrotechnical and electronics industry, the percentage of products at a high world level will be 86 percent, with practically all products being at this level at the end of the 5-year period.

The matter of investigating through forecasting and marketing studies the opportunities for production and exportation, under the conditions of the extremely dynamic market for these products, can make a big contribution to the efficiency of specialized foreign trade.

The Efficiency of the Romanian Exportation of Automation Equipment and Installations

The evolution of the production of automation equipment in our country has followed the trend of rapid development manifested on a world level, registering an average annual rate of 28 percent in the 1976-1980 5-year period and of over 16 percent in the 1981-1985 5-year period, far exceeding the rate registered by industrial production as a whole. Our party and state leadership's orientation of concentrating the efforts on developing the peak branches has thus been materialized, with big and immediate favorable repercussions on the progress of all other branches of activity

However, compared with the vitality of the quantitative growth of the Romanian production of automation equipment--exceeding even the average world rates--the structure of production has not changed at comparable rates, which could generate gaps with respect to similar products made in the developed countries. Thus, the process of using electronics in means of automation exhibits a relatively slow trend of growth, with their percentage in production growing from 27.8 percent in 1976 to 35.6 percent in 1980 and about 50 percent of the total production in 1985, with electrotechnical means of automation representing the difference from 100 percent.

The efforts made in the research and design institutes and the producing plants to extensively assimilate new products, especially on the basis of our own ideas, must be supplemented with concern for growth in labor productivity, given the production conditions of the competition.

The market studies made by the specialists in the CIEA [Industrial Central for Electronics and Automation] and the IPA [Automation Design Institute] regarding means of automation on a world level point out the extremely rapid evolution of the performances of the big international producers (IBM, United States; Philips, Holland; Western Electric, United States; GE Co. [General Electric Co., Ltd.], England; Nippon Electric Co., Japan; Thompson CSF [General Radio Co.], France; General Electric, United States; Honeywell, United States; Sony, Japan; etc). It should be mentioned that the percentage of the big firms' research and development expenses devoted to electronics stands at levels of 10-12 percent of their turnover, and the newer firms established on the market (for example, Nixford Computer, FRG) spectacularly exceed this percentage, reaching 20-30 percent of the turnover.

According to the programs for raising the technical and qualitative level of products drawn up by the ministry and the specialized central, the percentage of new and redesigned products in the total production rose from 44.4 percent in 1981 to 71.2 percent at the end of 1985, along with an increase in the amount of the value of the exports. In addition, it is predicted that by the year 2000 our country's production of means of automation will increase about 6.6-fold beyond the level attained in 1985, of which the production of our own devising will have an even faster rise of over 7-fold, and the exports too will rise nearly 7-fold. Regarding the evolution of the Romanian exportation of automation equipment and installations, the high average annual rate of growth of 14 percent in the 1976-1980 5-year period stands out, a rate that was nonetheless at less than half of the rate of growth of the respective production. For this reason, although the value of the exports doubled in a 5-year period, their percentage of the total production was still at relatively low levels. In the case of the exportation of electronic means of automation, the percentage is lower than that of the exportation of electrotechnical means of automation, which, in the same period, ranged between 7.3 and 10.3 percent. From this follow the reserves for improving the structure of our exportation of automation equipment, with over 65-70 percent of the deliveries on the current list being electrotechnical means, products with relatively high specific consumptions of raw materials, supplies, and energy and with lower efficiency than that of the electronic means.

Nevertheless, we note the big contribution of the Electronum ICE [Foreign Trade Enterprise] to raising the volume and improving the structure of our exportation of means of automation: Under the conditions of an over 4-fold rise in the total exportation of such products in 1976-1980, the Electronum ICE attained the feat of increasing the exportation of electronic means by about 15-fold. In this way, at the start of the present decade, the Electronum ICE was achieving 67 percent of the Romanian exportation of means of automation, thus exceeding the percentage of the foreign trade enterprises with a line of complex exports. It should be mentioned that the exports usually have the following structure: 80 percent are equipment and systems for supplementing the exports of complex installations and the complex exports from other countries and only 20 percent represent elements and apparatus exported individually and used either for replacement or for implementation in equipment and systems produced in the importing countries. Such an orientation seems natural if we consider the more and more marked trend toward attaining more and more specialized systems with higher and higher performances.

In the 1981-1985 5-year period, the much faster growth of the exportation of means of automation, about 36 percent overall, including 40 percent for electrotechnical means and 11.4 percent for electronic means, permitted the percentage of exports to rise to more than one-fifth of the production of electronic means of automation, but, overall, the electronic means of automation dropped in relation to the electrotechnical means.

Indirect Exportation

For complex installations in which automation equipment and installations are also included, the export prices are set on the basis of technical and economic proposals for each particular type of installation, and the methodology for calculating the profitability indicators is the same as for other exports. In the case of the exportation of complex installations, including automation installations, we feel that, in judging the economic efficiency of the exports, it is necessary to make a more comprehensive evaluation, taking into account the multitude of stimulating effects, concretized in: 1) research, design, and engineering work for preparing the design of automation installations; 2) assembly and installation work; 3) work of starting up automation installations; 4) technical assistance in assembly and in startup; 5) the providing of commercial services; 6) the providing of postsale services (technical plus commercial); 7) the recruiting, training, and advanced training of personnel. These activities, in their turn, also stimulate other exports, which are added to the exportation of means of automation.

Applying such a methodology of sequential calculation in stages, in several case studies we came to the conclusion that the current, aggregate method of evaluating the efficiency of exportation for an automation installation does not permit the identification of the contribution of each above-mentioned component (1-7), is not sufficiently expressive, it being unstimulative at the same time. Owing to the current regulations, the efforts of each producing enterprise or serving institute to raise the efficiency of its exports are not indicated clearly, with adjustments being made overall, with the more profitable enterprise bearing the consequences of the less profitable production of

other components by other enterprises, and vice versa. Although, ultimately, the exported automation installation constitutes a single whole and, consequently, a single indicator must also be calculated, we still feel that it would be fair for the settlement to be made, through documents, to the producing enterprises at levels varying according to the specific full domestic export prices and the foreign prices for similar products. The lack of marketing information has led either to the marketing of means of automation at prices that were below the level of those practiced on the typical markets or, especially, to the requesting of prices that exceed those of the competition--a matter that has caused some bids to be uncompetitive.

The best indicators of economic efficiency in exportation have been obtained for electronic means of automation, thus demonstrating the high efficiency of the exportation of these products. However, given the still too low percentage of electronic means of automation in the total exports of the Electronum ICE, their high efficiency has not been able to counteract, except to a small degree, the unfavorable influence of other types on the list. The particularly interesting conclusions regarding the efficiency of the above-mentioned exports resulted from the correlated analysis of other indicators as well: AV (valuta contribution), RAV (rate of valuta contribution), BV (profit in valuta), RBV (rate of profit in valuta), and GRMP (degree of utilization of raw materials). The analysis of the profitability indicators for a few standard, representative products with big percentages in the exportation of automation equipment and installations led us to a few conclusions with a higher degree of generalization:

In the case of electronic means of automation, the material expenditures come to about 80 percent for PICE [programmable integrated control equipment], of which the imported raw materials and supplies add greatly to the total costs. Without proposing a detailed analysis of the structure of the respective material expenditures, because in the case of other products it can be a question of raw materials and supplies with another structure, we nonetheless mention that it is necessary for the producing units to initiate firm actions to reduce specific consumptions by redesigning and redimensioning the products, so that we may meet the international standards and even surpass them, but without affecting the reliability of the products. At the same time, it is necessary to assimilate in the country, under conditions of real efficiency, materials now procured through importation whose prices attain very high levels on the international market. The making of "value analysis" studies by the producing units, for different possible variants of improvement in the respective economic efficiency, would be of real benefit.

Simulation in Decisionmaking

In order to illustrate the validity of the possibilities of improving the efficiency of the Romanian exportation of automation equipment, relying on data furnished by the above-mentioned case study and using the experience already accumulated by the producing enterprises, we worked out three variants attainable in production, for which we also calculated the export profitability indicators. It followed clearly that fairly small efforts along the line of saving on material expenditures have progressive, very favorable repercussions

on the profitability indicators. We feel that it would be very useful to employ this method of simulation and to analyze together with the staffs of working people in design, research, production, and marketing the possible and feasible variants of improvement in efficiency.

Special attention must be devoted to the quality of the automation equipment and installations, designing from the very outset products competitive on a world level, so as to avoid from the start the technological gap with respect to the developed countries. In this regard it is necessary to adopt a program for ensuring the quality of the automation equipment, going right from the design phase and continuing with the production, assembly, and startup activity, a program in which all the working people involved in the respective phases would participate. In addition, besides numerically increasing the highly qualified personnel engaged in the research and design of automation equipment, it is necessary to extend the positive experience in operating joint, interdisciplinary staffs, which would also possess measurement and control apparatus with a technological level corresponding to the requirements on the international market.

Because, from previous experience, it has resulted that the inclusion of Romanian industrial-automation products in various complex deliveries represents the most efficient way to market them, we feel that this practice must be continued and accented, there going to the interdisciplinary research and design staffs a number of specific tasks along the line of raising the efficiency of complex exports, including through the connected engineering services.

The adaptation of the production of means of automation to the market's requirements also entails a shortening of the production-design cycle, considering that the life cycle of these products of technology is short (3-5 years), and the objectives that we propose through the programs for improving the technical and qualitative level of products require a maximum reduction of the respective times. The systematic making of forecasting and marketing studies, with a view to finding the optimum production and marketing solutions, can make a substantial contribution to shortening the above-mentioned cycle.

On an organizational plane, we believe that the Permanent Joint Commission for Complex Exports, with powers of a domestic and foreign general supplier of complex automation, telecommunication, and electrical installations, can make a big contribution to improving the activity of marketing automation installations. Important tasks along the following lines devolve upon this commission: the prospecting of foreign markets together with the ICE's, with a view to obtaining bid requests and gaining as many foreign clients as possible; the performance of consulting, engineering, and marketing activities for adapting domestic production to the requirements of the foreign markets; foreign and domestic contracting and the coordination of the execution and deliveries for exportation in accordance with the requested timetables and quality conditions; the providing of schooling for personnel and of technical assistance and service; etc. Special tasks devolve upon this commission along the line of initiating and carrying out actions of international economic cooperation with big, prestigious firms exporting automation equipment and installations, but also with small and medium-sized firms with peak achievements in various

very specialized fields. In addition, it is possible to stimulate greatly the scientific and technical cooperation and specialization with socialist countries and the promotion of bilateral and multilateral cooperation, in third-party countries, by concluding mutually advantageous long-term contracts in countries with big investment programs and with less restrictive commercial policies for automation equipment and installations.

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ECONOMY

ROMANIA

AUTOMATION, NEW TECHNOLOGIES TO INCREASE WORK PRODUCTIVITY

Bucharest REVISTA ECONOMICA in Romanian No 11, 14 Mar 86 pp 12-13

[Article by Barbu Gh. Petrescu: "Coordinates of the Correlation Between Technical Progress and Efficiency"]

[Text] The continual modernization of all branches of the national economy and the raising of economic efficiency--basic objectives in the national economy's development in the intensive stage, whose significance has been stressed repeatedly in the party's documents and in the speeches of its secretary general, Comrade Nicolae Ceausescu--dictate with priority the supplying of equipment with a high degree of mechanization, automation, "electronicization," cybernation, and robotization to industry. It is a question of those machines and installations that provide for the use of the most modern manufacturing technologies in industrial production, characterized by the achievement of products with minimal labor, material, and energy consumptions. In accordance with the firm orientation toward giving a leading role to the intensive factors in the economy, the machine-building industry is being developed particularly in the direction of its structural modernization and the priority accentuation of the role of the high-tech subbranches, capable of providing stronger growth in economic efficiency and growth in the contribution to the creation of national income. As was stressed at the recent session of the Political Executive Committee of the RCP Central Committee, the affirmation of the technical guidance of production, consistent supervision of the technological process and of the quality of the products in all phases of manufacturing, and the strengthening of order and discipline--processes with important effects on the precise fulfillment of the tasks--are necessary to a greater extent.

In the past few years, the machine-building industry has assimilated and modernized a large number of products--characterized as true premieres due to their conception and the conditions for achieving them. This trend has been extended to the activity of practically the entire machine-building branch, especially through the obtaining of products like diesel-hydraulic locomotives, the ore ship of 55,000 deadweight tons, marine drilling platforms, high-capacity excavators, the 550-horsepower caterpillar bulldozer, machine tools for processing parts with big diameters, technological drilling rigs

* The first part of the article was published in issue No 8, 1986, of the magazine.

with a diameter of 5,000 mm, specialized machine tools and multifunctional processing centers, electronic equipment for numerical controls and programmable automatons, and peripheral equipment for running the technological processes with computers and expanding the data-processing network.

The fact that the machine-building branch now covers most of the consumption need for development is indicative of its place and significance within the Romanian economy and Romanian industry. The degree of coverage of the domestic need with the branch's products represents 100 percent for power equipment and means of railroad transportation, 95 percent for petroleum equipment, and 91 percent for telephone equipment and equipment for transmission by carrier currents. In addition to growth in the degree of coverage of the needs of other branches of the economy from domestic production, a reduction in imports for production and a rise in the volume of production for exportation are occurring. From precisely this perspective, the secretary general of the party stressed that the field of machine building will continue to be of essential importance for the dynamics of development. At present, the machine-building industry is tackling new fields, such as aeronautics, microelectronics, automation of processes by evolving systems, etc.

Our country's industrial development and economic growth require, particularly in the context of the restrictions existing in regard to providing raw materials and energy and of the requirements for Romania's competitive participation in the international division of labor, the supplying of the equipment needed for promoting the technologies of the future, technologies through which the aim is to harness our own resources of raw materials obtained under difficult conditions and containing small amounts of useful substance. In this regard, we stress the fact that in order to obtain a given amount of useful energy the need for equipment rises considerably in proportion to the use of fuels with a lower and lower energy value. Let us also mention the fact that the growth of the quantitative need for equipment is accompanied by the requirement of increasing its complexity, of integrating the elements for automating, supervising, and running the technological processes in which it is used. Thus, in order to utilize poor or hard-to-reach deposits (at great depths or in offshore exploitation under bad climatic conditions), the technical effort for obtaining a unit of raw material or energy requires the mobilization of much greater efforts of innovation and creation than those made thus far.

The transition from fossil-fuel power stations to nuclear power stations also entails important changes and very big increases in complexity at the level of the production of power installations and measurement, control, and regulating apparatus that provide a high degree of operational reliability. Both in the current 5-year period and especially in the future, the sectors in which the respective products and apparatus are achieved must be developed suitably, so that we may respond to the evolution of the shortage of materials and energy resources by increasing the technological research and development effort--with direct effects on the growth of the qualitative level of production.

From this entire perspective, the machine-building industry--the bearer of technical progress in all fields of economic and social activity--will register higher rates of growth, surpassing the level of the other industrial

branches. The filling of the role of "bearer of technical progress" is possible only through a special effort by this sector, the updating of the assortment range in the direction of improving and renovating the products and their manufacturing processes and techniques. Scientific research and technological engineering have a leading role in this action. In the speech at the Congress of Science and Education, Comrade Acad Dr Eng Elena Ceausescu underscored emphatically the need to devote special attention to the objectives in the field of labor productivity: the expansion of mechanization, the automatic guidance of processes, the wide promotion of advanced technologies, and the utilization and generalization of the newest gains of the contemporary scientific and technical revolution both from a technical viewpoint and from that of the better organization of labor. All these things mean, in fact, new technologies, machines, and equipment, precision apparatus for measurement and control, machines and apparatus in the field of guiding the technological processes, etc.

At the same time, another aspect is also essential. Stressing research's role in our country's development, Comrade Nicolae Ceausescu stated that in the respective field "it must not propose only to achieve one product or another, one machine or another; it must also pursue and know what the effects will be in production, from all angles.... That which does not attain a lower consumption of materials and energy, that which does not provide a drop in the general consumption of materials and a rise in labor productivity cannot be put into production. When we undertake the achievement of a new product, we must analyze very deeply all the material, economic, and human implications."

Under these conditions, the process of renovation and modernization, viewed particularly from the angle of the expansion of typification and the growth of efficiency in resource utilization, requires that the solutions worked out and analyzed in the scientific research and technological engineering institutes and in the sectors for conception and preparation for manufacture in centrals and enterprises take into consideration the multiple-criterion objective of decisionmaking that seeks to satisfy simultaneously the maximum requirements of quality and durability and the requirements of maximum output and minimal consumptions of materials, energy, and manual labor in production and operation. Of course, under the conditions of manufacturing in the machine-building industry, rational dimensioning is conditioned by "the quality of the co-operation" with the suppliers of materials, which, in their own production process, must pursue the same common objectives characteristic of growth in the technical and economic competitiveness of production.

In the activity of innovation or modernization, it is necessary to secure to a greater extent the achievement of products that permit the obtaining of maximum savings in operation. Hence the urgent need for harmonious collaboration between the producing and consuming units. The product's conception must provide as great an agreement as possible between the lifespan of the various components and subassemblies and the dimensioning of them in relation to the foreseeable length of the period of obsolescence. This agreement is all the more necessary because some situations are still found in which equipment with low outputs, outmoded from a viewpoint of its obsolescence, is not yet worn-out. As a result, it is kept in operation, constituting a relatively difficult restriction to overcome in the direction of growth in labor productivity.

At the same time, it is particularly important to provide reliability to the equipment in order avoid any accidental stoppages in operation, which could cause additional expenditures of materials, energy, and manual labor and a drop in the amount of effective operating time, in the physical volume of production, and in labor productivity. It is therefore necessary to set up and apply the programs for rational utilization of the production capacities, for prevention and limitation of waste, and for growth in the expected effects.

The renovation of the products and the improvement and the raising of the value of the construction, functional, ergonomic, and aesthetic characteristics, in order to satisfy the social needs, constitute the direct way to raise their technical level and have profound implications for reducing the volume of the consumption of raw materials, supplies, fuel, and energy and for increasing their operational reliability. In the same regard, excellent effects will also be achieved with respect to the growth of labor productivity, expressed by the savings of labor per unit of product, and the reduction of the investment, operating, and maintenance expenses, there being a rise in competitiveness and efficiency for producers and users. From this follows the growth of the responsibility of the working people, who, under the conditions of the high degree of equipping of Romanian industry and the prompt integration of the achievements of technical progress into production, must provide a suitable technical level and quality to all Romanian products.

Consequently, the faster expansion of the mechanization and automation of production and the introduction of new technologies, based on tools and equipment with higher operating parameters, constitute important directions of action for growth in labor productivity. The requirements of the development strategy concerning the intensification and expansion of mechanization and automation in industry turn up mainly in: the mechanization and automation of production in the processing activities, according to operations or groups of operations, and the automation of the production processes according to big, complex installations.

The first category mentioned above involves the processing industry making components and products (the machine-building industry, light industry). The second category includes the production processes with a continuous character in the industries that transport and process large quantities of raw materials (transportation, the power, chemical, petrochemical, metallurgical, and construction-materials industries). The industry producing automation installations, in its entirety, is involved in carrying out the program for developing the economy, both through the contribution within the machine-building branch and through the direct contribution to all sectors of the utilizing branches. Along with growth in production, a rise in quality and a higher level of economic efficiency, especially through growth in productivity, are being attained through automation.

The development of the production of technological equipment with a high level of automation, the achievement of machine sets or of complex processing lines with automatic operating modes, and the introduction of flexible adaptive systems (Footnote 1) (Also see: I. Crisan, "The Updating of the Flexible Technologies," ERA SOCIALISTA, No 12, 1981, p 8) are gradually reducing the sphere of

utilization of manually operated universal machines. For example, a decade ago, the automatic operating modes on machine tools dictated their utilization in large-scale or mass production, but in the current stage, due to equipment with automatic control of machine tools and processing sets, based on computerized numerical control (CNC), possessing the possibility of programming and rapid program-changing, machine tools and processing sets with automatic operating modes are also suitable for small-scale or one-of-a-kind production, which considerably raises the labor productivity under the conditions of competitive products with a high qualitative level.

The equipment with automatic control, a CNC system, on machine tools and processing sets has a large memory capacity for programming and operates on up to 10 separate processing axes, which permits the processing of parts with very complex shapes to be tackled successfully. The processing sets and processing centers (for turning, milling, and boring) with tool magazines (up to 64 separate tools) are operated both by numerical control proper and by programmable automatons, electronic equipment that carries out, through static switching and thus without any part in motion, the machine's operating programs and the automatic tool-changing. All these things are fields of activity in production in which, at the current level of development of industry, it is not possible to imagine precision operations except with specialized, numerically controlled machine tools.

The current development of electronics and the introduction of microelectronics at a rapid rate have led, implicitly, to the miniaturization of the products and, respectively, to the growth of the density of electronic components on the printed circuit cards, now made with two or more layers. The rational utilization of the specialized sets and machine tools functioning with a normal operating mode has a special role in achieving them in a bigger and bigger volume and with the special precision requirements. Thus, in the manufacture of cards and printed circuits it is not conceivable that the drilling operation for implementing the electronic components (on a standard-sized card there are approximately 300 holes with diameters down to 01.1 mm) would be done other than with drilling machines with numerically controlled heads (position control). Under the conditions of utilizing this equipment, the labor productivity in the processing done is at least 2.2-fold higher, and from a qualitative viewpoint, due to the automatic means of measurement and of supervision of the performance of the operations (piece control and automatic-correction control of the tool's wear), rejects are practically eliminated.

In this field, Romanian industry has achieved complex automation equipment for machine tools and processing centers that automatically controls the operating mode of the machines. Their operation is controlled automatically by equipment with numerical program control (NUMEROM) or programmable automatons. In the field of equipment with CNC numerical control systems, there is to be created, with a view to prompt assimilation into manufacture, a complete family whose application--due to the high working capacity of the equipment (up to 10 axes)--permits the achievement of the most complex automatic processing modes.

In view of the more and more extensive equipping of industry with machine tools with automatic control, special attention must be devoted to the manner

of utilization of them, because, at present, some of these machines do not use the numerical control devices that they have in their structure. The full use of machine tools with numerical control also entails, on one of the most important planes, the providing of the trained personnel for operating and maintaining them under suitable operating conditions.

The evolution of the conception and manufacture of equipment with numerical control is based, above all, on the utilization of electronic components with multiple functions, such as microprocessors and semiconductor memories. In our processing industry, robots are now taking over more and more complex functions of lifting, carrying, and positioning, of execution of operations under difficult conditions (welding, riveting), and of execution of complete manufacturing cycles. Thus, complex casting lines operated exclusively by robots that perform both the preparation, molding, and coring operations and the casting operation are being achieved for foundries.

The introduction and utilization of industrial robots permit the steady execution of processes in noxious media that do not permit man's presence, as is the case in the activity of nuclear reactors, with man's role being that of controlling the course of the robotized process, which leads directly to a drop in the number of personnel utilized and to a rise in labor productivity. Success in the promotion of robots in industrial applications is determined by the achievements of scientific research and technological development in the manufacture of equipment with electronic operation and with automatic control of the operating mode, mechanical systems for transmitting movements in movable articulated systems, and so on.

In the assembly shops of machine building, the rise in the level of mechanization of the assembly and fitting processes constitutes the result of developing the production of specific tools and devices with electric and pneumatic drives and manufacturing automatic and semiautomatic lines. In this direction, the scientific research and technological engineering units in the machine-building industry are achieving assembly lines for series products, on which, through the mechanization of the operations and of the transportation of parts, an over 3-fold rise in labor productivity is obtained, in addition to providing higher quality.

The evolution of the manufacture of tools and devices and the existence of the experience accumulated in the organization and performance of line assembly are leading to the existence of serial-assembly units with a level of equipping that provides for the mechanized execution of all operations with a high degree of difficulty. In addition, the final quality control for the products is done both on the line and on specialized stands with an automatic operating mode that secures the verification of the basic functional parameters in minimum time. Thus, in the electrotechnical industry, through the mechanization of assembly and the automation of technological control operations, it has been possible, in some cases, to double and even triple the labor productivity, along with significantly raising the quality of the products. In a subsequent issue of the magazine, we will continue the analysis of such aspects.

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ECONOMY

ROMANIA

PLANS TO IMPROVE FACTORY TRANSPORTATION

Bucharest REVISTA ECONOMICA in Romanian No 11, 14 Mar 86 pp 7, 17

[Article by Liliana Constantinescu: "The Improvement of the Activity of Intraplant Transportation"]

[Text] The movement of raw materials, components, and subassemblies from one stage of processing to another, until obtaining the finished product, constitutes an objective necessity of the manufacturing processes, with intraplant transportation being able to be regarded, with good reason, as a chief technological phase. An efficient way to tackle the problem of intraplant transportation consists of following in a connected manner the operations of shifting, handling, storage, etc., expressed generically by the term "industrial logistics." In general, the logistical network is expressed by a graph evaluated in lengths, values, and flows, in which the circulation of information generates the circulation of the respective products (raw materials, supplies, components, semi-products, finished products). Industrial logistics thus refers to all of the operations which do not include an intrinsic transformation of the products but which, by their nature, condition the continual flow of manufacture, contributing to the shortening or lengthening of the production cycle.

Required for the multilateral progress of the national economy, the modernization of the activity of intraplant transportation ultimately leads to the reduction of the volume of labor per unit of product and to the elimination of heavy manual labor from the production processes. A basic component of the production-modernizing process, the improvement of intraplant transportation has as a basis, at the Bucharest Electric Machine Enterprise, the preliminary analysis of the current situation in this field from the angle of the theory referring to industrial logistics, with intraplant transportation being "judged" in connection with the handling and storage operations (including packaging) and, in the future phase, being integrated systematically into the production process. The analysis of the current situation regarding the way in which intraplant transportation and handling operations are performed indicates some aspects with a negative influence on the course of the whole manufacturing process, including: a unified transportation plan does not exist; the dimensions of the units of handling are not always known and the containers and pallets for transportation are used only to a slight extent; the means of transportation between sections were decentralized, with the enterprise's 50 electric carts going to and fro, which leads

to inefficient use of them; the frequency and the tonnage moved to each production shop or reception point have a random character; the need for means of transportation for a given period is not known; and so on.

Under these conditions, there is often an irregular, discontinuous supply and accumulations of processed components at various points, which give rise to tieups and impede the normal course of the production processes, also generating high transportation and handling expenses at the same time. The current circulation of materials, components, and semiproducts between production sections and shops occurs under the conditions of long and winding routes that they follow along the flow of their productive transformation. The current technological organization often leads to the growth of intraplant transportation between sections and shops, to the lengthening of the circuits that raw materials and supplies travel, and to repeated handling--all with unfavorable effects on production costs and labor productivity.

In the 1986-1990 5-year period, essential changes are planned in the organization and modernization of the enterprise, with the sections being organized according to the principle of group technology and being equipped with flexible manufacturing cubicles centralized according to types of components and sub-assemblies. In the field of intraplant transportation, as a result of the relocation of the production halls and storage spaces, this reorganization will lead to a considerable simplification of the routes and to a big reduction in the volume of transportation (Table 1).

The actions expected to be initiated in the current 5-year period in order to improve the activity of intraplant transportation involve several main directions, namely:

The optimization of transportation through the mechanization of the operations of loading and unloading of raw materials and supplies and the reduction of the number of indirectly productive workers in the activity of intraplant transportation;

Table 1. The Reduction of the Volume of Intraplant Transportation as a Result of Reorganizing the Technological Flows

(thousands of ton-kilometers)

Materials	1985	1990
Siliceous plate	10.8	2.7
Castings	32.5	1.2
Rolled metal	9.5	0.8
Copper conductors	3.1	0.5
Components from collaboration	6.2	0.9
Joinery wood	1.9	0.4
Lacquers and paints	0.8	0.1
Recoverable materials	6.1	0.7

The placement of machines, equipment, and workplaces in sections and shops in such a way as to provide a continual flow of materials and products and the elimination of turns in the flow:

The reduction of the intraplant circulation of raw materials, parts, and sub-assemblies and the elimination of crisscross transportation;

The correlation of the types and number of means of transportation according to the needs of production;

The mechanization of the operations of loading of means of transportation and the expansion of the containerization and parceling of products in intraplant transportation;

The raising of the degree of mechanization and automation of the activities of handling and intraplant transportation for all categories of raw materials, supplies, components, and semiproducts through the expansion of conveyorization, gravitational transportation, and belt conveyors;

The improvement of the technologies for collection, sorting, storage, loading, and shipping of recoverable materials both at the shop level and at the enterprise level, using for this purpose the system of bundling the shavings;

The creation of a department specializing in industrial logistics and computer-aided design of systems for optimization of intraplant transportation.

Plans of suitable technical and organization measures have been set up in order to obtain these objectives, plans whose implementation will lead to the obtaining of high efficiency (Table 2). But, in the final analysis, it is important that, through the improvement in the activity of intraplant transportation, the necessary conditions will be created for optimally carrying out the technological processes, reducing the periods of execution, and raising the efficiency of all production activity.

Table 2. The Efficiency of the Actions To Modernize Intraplant Transportation and Storage

Indicators	(in percent)			
	Storage of Heavy Materials		Storage of Finished Products	
	1985	1990	1985	1990
Degree of utilization of storage areas	80.0	88.0	76.0	85.0
Coefficient of utilization of storage volume	35.0	60.0	40.0	80.0
Reduction of handling and storage costs	100	80.0	100	50.0
Reduction of fuel and energy consumption in handling activities	100	90.0	100	90.0
Reduction of durations in handling and storage activity	100	75.0	100	60.0

[Box , p 7]

General principles pursued in the action to improve intraplant transportation: the proposed transportation flow should be simple and rapid (to avoid wastefulness) and should provide for the timely distribution of raw materials, components, and subassemblies to the workplaces; the limitation of the volume of manual transportation; the matter of eliminating as much as possible the instances of handling materials as separate functions; the utilization of gravity whenever possible; the keeping of materials at the height at which they are to be processed, for economy in handling; the reduction of transportation distances and the avoidance of crisscrosses, repetition, and traffic jams; over long distances, transportation in large quantities; the providing of a rapid and effective system of communication between handling and production; the avoidance of trips without loads and the providing of as high a degree of loading of the means of transportation as possible by selecting a suitable transportation system.

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MILITARY

POLAND

ARMY CHAPLAINS PEACE CONFERENCE AT AUSCHWITZ PUBLICIZED

[Editorial Report] In its issue for 16 May 1986 the armed forces daily ZOLNIERZ WOLNOSCI gives prominent coverage on pages 1 and 5 to an official convocation of the Polish Army's chaplains corps held on 15 May at the site of the Auschwitz-Birkenau concentration camp. Poland is the only Warsaw Pact state to sanction a unit of chaplains to minister to members of the armed forces. The meeting was held in order to commemorate all of those who lost their lives at the hands of the Germans at Auschwitz, including in particular soldiers and chaplains serving in the Polish army, and to issue a formal "Appeal for Peace." The fallen Polish soliders and chaplains were honored with a wreath-laying ceremony at the "Wall of Death" in front of the No 11 Barracks "Death Block." The chaplains' appeal, titled "Echoes of Auschwitz," urges the nations of the world to avoid war by exercising "common sense" and learning a lesson from the wages of hatred and violence exemplified by Auschwitz. The appeal declares that the cause of peace would be better served if people would understand that it is also possible to serve one's country through "honest hard work, the development of a social conscience, the propagation of cultural and educational values, the cultivation of a work ethic and Christian and civic values, and the fostering of friendship among nations." On the evening of 15 May the chaplains celebrated a "field mass" in front of the "Death Bloc." The conference was attended by the "general dean" [dziekan generalny] of the Polish Armed Forces Chaplains Corps, Colonel Fr Dr Tadeusz Humenski.

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POLITICS

ALBANIA

MUSTAQI PRAISES HOXHA'S MILITARY INNOVATIONS

Tirana KONFERENCE KOMBETARE KUSHTUAR VEPRES SE PAVDEKSHME TE SHOKUT ENVER HOXHA in Albanian 1985 pp 1,3-4,127-142

/Forward, title page and article by Kico Mustaqi, candidate member of CC of AWP, from book "National Conference Devoted to the Immortal Work of Comrade Enver Hoxha," "8 Nentori" Publishing House/

/Text/ NATIONAL CONFERENCE DEDICATED TO THE IMMORTAL WORK OF COMRADE ENVER HOXHA
15-16 October 1985

"8 Nentori" Publishing House
Tirana 1985

On the occasion of the 77th anniversary of the birth of the great and unforgotten leader and teacher of the party and the Albanian people, Comrade Enver Hoxha, the proceedings of a national conference devoted to his work were developed and organized at the initiative and under the auspices of the party Central Committee.

The following individuals participated in this conference: Comrade Ramiz Alia, first secretary of the Central Committee of the AWP and chairman of the Presidium of the People's Assembly of the People's Socialist Republic of Albania, Comrades Adil Carcani, member of the Politburo of the party Central Committee and chairman of the Council of Ministers, Hajredin Celiku, Hekuran Isai, Lenka Cuko, Manush Myftiu, Muho Asllani, Pali Miska, Rita Marko and Simon Stefani, members of the Politburo of the party Central Committee, Besnik Bektreshi, Foto Cami, Llambi Gegprifti, Prokop Murra and Qirjako Mihali, candidate members of the Politburo of the party Central Committee, Vengjel Cerrava, secretary of the party Central Committee, Nexhmije Hoxha, member of the party Central Committee and director of the Institute of Marxist-Leninist Studies, and members of the party Central Committee, the People's Assembly and the government.

There was also participation by management cadres of party and government organs from all the districts of the country, representatives of the mass organizations, workers in the apparatus of the party Central Committee, the ministries and various institutions and enterprises, veterans of war and labor, and young men and women.

In this publication are included Comrade Ramiz Alia's speech, "Enver Hoxha--Banner of the Struggle for Freedom and Socialism," as well as nine papers delivered at the conference.

COMMANDER OF THE ARMED FORCES AND CREATOR OF THE MILITARY ART OF PEOPLE'S WARFARE

In the rich and universal theoretical and practical inheritance left to us by Comrade Enver Hoxha, an important place is occupied by his thought and practical activity in the area of military matters and the people's Military ART. The teachings of Comrade Enver Hoxha have stood and will stand at the foundation of the organization and continual strengthening of our defense. As Comrade Ramiz Alia emphasized, "The ideas and teachings of Comrade Enver have been embodied in the whole life of our armed forces, in the ideological, political and moral principles by which they are guided, in their organizational construction and in the Military Art which they contain." ¹

Marxism-Leninism teaches us that the realization of the political and strategic objectives of the general armed revolt, true national and social liberation and the establishment of people's power cannot be achieved without the creation of an organized revolutionary military force. Our historical experience has fully confirmed this. Since the first days of its existence, the party and Comrade Enver conceived of the creation of this force as an objective necessity, without which there could be no talk of an armed struggle. With Comrade Enver Hoxha at its head, the party successfully accomplished the formation of the UNCSH /Albanian National Liberation Army/, a task of great historical importance, which required colossal efforts and the overcoming of innumerable difficulties.

As a great military strategist and as a brilliant commissar and commander, Comrade Enver specified every step of the road which the war and our National Liberation Army would follow, from the guerrilla units to the army corps.

Having the correct and far-seeing leadership of Comrade Enver, the party knew that in order to create a people's armed force under the conditions of our country, with a small territory and few human and material sources, union fascist occupation, it would have to find original solutions. Just as our struggle possessed originality and characteristic features, so too did the process of the formation and growth of the UNCSH. It was created under difficult historical, socio-economic, political and military conditions. The military occupation of the country, the goals of the invaders and the forces of reaction to strike out at every effort made to form the National Liberation Army and the profound economic backwardness were serious obstacles to the creation, staffing and supplying of the army. In addition, it is well known that from the old army, "We did not inherit... a single squad of soldiers, much less larger units."²

In these difficult circumstances, the party and Comrade Enver created and organized a new army, without having anything ready-made and with no outside help. The UNCSH was formed and became a great armed force with all the necessary political and military qualities, from its foundation to its highest organisms, on totally new organizational, political and military bases. This constitutes an historical achievement of Comrade Enver and a distinctive characteristic of the creation of the UNCSH, because, historically, regular armies have arisen from an inherited base and military leaders have done nothing other than adapt and improve the existing organization, the experience, the tactics, etc. On the other hand, the AWP, with Comrade Enver Hoxha at the head, began their work with small guerrilla units, without arms or with a few old weapons, and in a short time they managed to create an armed volunteer army, a political army led by the party, which emerged from the bosom of the people and which was closely connected to it, an army with iron and conscientious discipline, thus presenting a rare example in history. This is one of the monumental achievements of Comrade Enver Hoxha.

The formation of a regular people's army was a total and complicated act. The achievement of our party is that by resolutely executing the teachings of Comrade Enver with boldness and maturity, step by step and in accordance with the conditions of the situation, it was able to realize successfully all the links of the military organization, which was characterized by some original features, in comparison with the paths followed in other countries. The party did not want to organize the army in regular formation and then launch it into battle, but at a time when the armed revolt began, guerrilla units were also created "...as a skeleton of the future army"³ and important problems were resolved, such as those of cadres, arms, supplies, etc. In this way, along with the widening of the National Liberation Movement, the UNCSH was expanded and equipped.

Another feature was that the party and Comrade Enver did not hurry to construct large military formations immediately, but proceeded in stages, passing from the lower to the higher; newer steps were taken when the preceding steps had been strengthened and when the conditions were ripe. The creation of the General Staff was also a concrete application of the ideas of Comrade Enver and constituted one of the political and military victories of great historical importance for our people. It was implemented at that historic moment when the armed struggle of the Albanian people entered a new stage of development, the stage of a higher military organization and an extension of the struggle to every part of the country, the stage of general armed popular revolt. Now, in Albania, the enemy was not faced with groups of patriots or with small units, as the Anglo-Americans and Titoites tried contemptuously to show, but with a regular armed force, with a military organism like all the anti-fascist armies and coalitions in the Second World War, with very lofty moral qualities, which had to be accepted as missionaries by the allies, as well as by the enemy staffs, and with a capable strategic leadership, like all the staffs of the struggle by forces of the anti-fascist front.

A general characteristic of the military activities of Comrade Enver during the National Liberation Struggle is that he alone, with his concrete ideas and activities, worked out every plan, every important directive and order of the UNCSh; he orientated and led, with a sure hand, its major battles--up to the execution of the strategic plan for the general decisive assault for the full liberation of the country.

Some of the chief characteristics which distinguish Comrade Enver as a great military strategist are: the detailed general study of the internal and external political and military situation; scientific calculation of all the factors and elements which were able to influence the development and conclusion of operations during the war as a whole; the detailed study of the possible area of military operations of the enemy and the mature selection of the direction of major strikes; the struggle against dogmatism and routine; great creative ability in combat operations and actions in order to direct the forces with precision; concentrated work, personal examples of bravery and valor.

With the liberation of the country, Comrade Enver worked out tasks and objectives which would lead to the modernization of the army; he elaborated ways through which this modernization would occur, in accordance with the historic mission which was assigned to it for the defense of the new socialist state and with the stages of construction of socialism. At that time, it was an army comprised almost totally of infantry and with a simple organization. Its strength consisted of its conscientiousness, its lofty military spirit, its discipline and its combative drive and the fire of its arms, which comprised mainly rifles, automatics, machine guns and a few other heavy arms captured from the enemy. In analyzing the military path of the National Liberation Army and the need for modernization, its General Commander emphasized, on the eve of the Liberation, "...our major task is to go forward in order to give truly a modern character to our army, not only in form, but especially in content."⁴ Owing to his thoughts, directives and direct concern, accordingly, with regard to stages which responded to conditions inside and outside the country, coordinated development was ensured for all branches of the armed forces and for the types of arms and services necessary for a modern army equipped with current technology and armaments. Thus, the artillery and the strength of its fire power increased, the range of airplanes, ships, tanks, etc. increased, and a perceptible improvement occurred in its sphere of action, its motor power, etc.

On the basis of Marxist-Leninist thesis of the priority of the individual in war and bearing in mind the conditions of our mountainous terrain, the party and Comrade Enver have maintained correct proportions among structures and types of arms and services, giving first place to the infantry, which, as comrade Enver instructed, "...must not only be larger in numerical terms, in comparison with our other armed services, but... must be particularly well trained, at a high level and with a great attack, defense and counter-attack spirit..."⁵ Such a correct directive has been and continues to be of great scientific, theoretical and practical value for both the organization of our army and its training.

Comrade Enver Hoxha, by further developing the Leninist thesis that only an armed people can be a secure shield of the independence and freedom won by blood and sacrifice and that the assumption of power by the working class does not mark the end, but only the winning of the first battle of the revolution, reached the universally valid theoretical and practical conclusion that this struggle not only must not cease, but must be continued further, totally mobilizing the workers of the city and village for defense work and for the repression of bourgeois and capitalist resistance. In this highly important matter, we must in no way rely on the external political situation, not only on the active army, but essentially on the internal factor, on our experience, on the whole armed people, on the firm faith in our own forces. As Comrade Enver emphasized, "We must prepare an invincible force, which lies in training, from this moment, the whole soldier people."⁶

After the liberation, with regard to all matters concerned with the creation and strengthening of the army, Comrade Enver showed himself to be very far-seeing. He not only did not permit its fusion, as the internal forces of reaction and the external enemy sought and demanded, he not only courageously opposed its union with the Yugoslav army, but, on the contrary, he specified the major directions and took the necessary measures for its organizational strengthening and its step-by-step modernization, in accordance with the concrete historical conditions and circumstances. This important lesson has stood and continues to stand at the foundation of all problems which concern the further strengthening of our defense.

At the time when Khruschevite revisionism spread the pacifist cry for the creation of a world without armies, without arms and without wars, when the other internal and external enemies deliberately inflated our skill and courage and trumpeted about the fact that "the enemy can be confronted even without preparation" and that "a barracks army" alone is sufficient, Enver Hoxha, at the head of the AWP, defended and further developed Marxist-Leninist military science dealing with the problems of the army and the defense of the fatherland. His teachings that the fatherland comprises all the people and that defense, for us, must have the character of popular defense had decisive importance. They constituted help and encouragement for other peoples, too, who rose, with arms for freedom and independence, so that they did not fall victim to bourgeois and revisionist propaganda about disarmament.

In every element and in the whole development of the organizational structure of the People's Army, in the creation and establishment of new units and divisions--the valuable thoughts of Comrade Enver are everywhere. His teachings on how to ensure coverage and defense of every tactical, operational and strategic area, on how to maintain a powerful reserve in the hands of the General Command, on how to reduce constantly and as much as possible the time of initiating completing action in order to respond directly to surprise aggression, on how to rely on our real possibilities in terms of increasing the personnel, technical equipment and weapons for all branches and services, etc. are valuable conclusions which remain timely for the present and the future.

Comrade Enver's teachings on the creation and operation of the Free Military School occupy an important place in his military theory.

Comrade Enver's achievement lies in the fact that, he was supported by the teachings of the great Lenin, and developed them further and applied for the first time in practice by making the Free Military School a basic institution where all the structures of the armed forces and the whole soldier people are educated, trained and prepared militarily. That a small country should achieve the arming and military training of the whole people is not only one of the most glorious facts in the history of our people, but also a solution unparalleled in history.

Comrade Enver Hoxha, in applying the experience of the party more widely and in thoroughly analyzing the causes of that regressive process which occurred in the Soviet Union and in other former people's democracies, reached new and important conclusions concerning not only the operations, goals and tasks of the army, but also the preservation and continual strengthening of its popular character, so that it should always constitute a striking force in the hands of the party, ever faithful and ready at any moment to defend the people and the fatherland from every internal and external enemy. His teachings to the effect that the leadership of the Marxist-Leninist revolutionary party is the crucial condition for the existence of a people's army, that the party has been and remains the spirit of the army, the brain which directs it on the right path, and that the party is in command of our army and at the head of our defense constitute the basic principles, without whose application it is impossible to have a people's army, a people's struggle or victory on the battlefield.

In the military theory of Comrade Enver on problems of defense, we find a series of scientific conclusions with great value for the present and future development of the army and the strengthening of defense capabilities of the country. He formulated a broad and full concept of defense, emphasizing that the fatherland is defended not only when we are prepared militarily, but also when we are strong politically, ideologically and economically, when the party and its leading role, the power of the dictatorship of the proletariat and the unity of the people around the party are continually strengthened. Of particular importance are his ideas about the fusion of the army and the armed people into a single entity, as well as the inclusion of defense problems in the life of the party and the masses to serve the education of cadres and soldiers in the proletarian spirit and to ensure a strong and organized rear guard in order to confront successfully all the needs of the army today, in peacetime, and tomorrow, in wartime.

A very important constituent part of the theoretical work which Comrade Enver has allowed us to inherit is the People's Military Art, a monumental work, on the basis of which the whole people has been trained and is being trained militarily. This thoroughly original and modern art of people's warfare, in accordance with the terrain of the country and the characteristics of our people, is and will remain living testimony to the talent and wisdom of our unforgotten Commander.

Comrade Enver devoted great and continual attention to devising our Military Art and he carried out an untiring work which he began in the fire of the National Liberation Struggle and continued during the period of socialist construction.

For its creation and development, and in order to keep it free from any influence from bourgeois military art, Comrade Enver struggled against and conquered many enemies. The People's Military Art was consolidated as a special field of study with great theoretical and practical value, necessary for the expansion of knowledge and foresight in situations and phenomena on the battlefield and for the calculation and evaluation of actions which must be accomplished in accordance with the laws and principles of the development of war, in order that victory may be ensured. With the creation of this art, our party accomplished a vitally important task, because the building of socialism, under the difficult conditions of capitalist and revisionist encirclement and its defense, is better ensured when the appropriate military knowledge is worked out.

Comrade Enver Hoxha, due to his thorough knowledge of world history and that of our people, from the first steps of the LANCL /Anti-Fascist National Liberation Struggle/, began to lay the foundations of military science and our People's Military Art: he established correct proportions between them and determined tasks of military strategy and tactics. The essential characteristic of the military strategy was its dependence on the strategy of the people's revolution and on the goals and objectives of party policy.

The determination of stages through which our struggle would pass and the organizational structure of the UNCSH, the choice of major directions and the concentration of forces at strategic points, the creation and utilization of types of arms and services, operational and strategic leadership, the determination of the time and the manner of moving on to counter-attack and general attack, etc. were some of the tasks which the military strategy resolved very successfully on the basis of the thought and direct leadership of Comrade Enver.

Particularly important during these years was his evaluation of the efficacy of partisan tactics under the conditions of our country, tactics which successfully opposed the tactics used by the enemy and which avoided large direct conflicts, quickly maneuvering forces from one place to another, which gave the enemy mortal blows and preserved our own forces and which prevented adventurous actions on the battlefield. In working out and developing further the tactics of partisan warfare, Comrade Enver set important principles and elements at its basis, such as continual assaults and operations, surprise, initiative, speed, mobility, etc., which were applied, depending upon the conditions of the military situation, the terrain and the weather, in regular combat and operations successfully organized and undertaken by the UNC.

The strategy, operational art and tactics of partisan warfare, worked out by Comrade Enver Hoxha, proved themselves in war and won victories over the strategy and tactics of our enemies. This is one of the specific factors which did not permit the bourgeoisie and forces of reaction to seize the fruits of the war and of our people's blood and take power after the war, as happened in several other countries. This made it possible for the teachings of Comrade Enver to be transformed into a living reality when the revolution in Albania was crowned with victory, bringing new experience to the practice of the revolutionary movement--that of transforming the National Liberation Struggle into a people's revolution and developing it uninterruptedly on the socialist path.

After the liberation, in accordance with the stages of the development of our socialist revolution and, particularly, with the concrete conditions of the country and the development of military arms and technology, Comrade Enver Hoxha worked out the strategy and tactics of our army for the defense of the fatherland. Tenaciously defending and further developing the teachings of Marxism-Leninism, Comrade Enver, in opposition to the views of the Yugoslav revisionists and their tools with regard to the path to be followed in working out and developing the military art under new conditions, placed at the foundation of our military art Marxist-Leninist theory, the war experience of our people, of world revolutionary struggles and especially of the National Liberation Struggle, which triumphed over the bourgeois and capitalist military art. He clearly specified the factors and bases upon which this art must be placed, which were: the leadership of the party, which constitutes the greatest guarantee of assurance of victory, the principle of the primacy of man over arms, self-reliance, the line of the masses the priority of ideological work over military work, etc. They had great importance not only for the accomplishment of the revolution, but also for the present and the future of our socialist fatherland.

We find in this vital and dynamic art, formulated in a precise and scientific manner, the major laws and principles on which the people's war is based, correct ratios among strategy, operational art and tactics, ratios among men, arms and terrain, and relations among them, permanent and temporary factors, the role of forces and types of arms, the importance of fortification of the country in war, the role of the rear guard, etc.

As a great military theoretician, Comrade Enver Hoxha gave us the essence of our military strategy and of the content of people's war. He determined scientifically the general concept of defense and that of counter-attack. In seeing the reciprocal dependence of our conditions and possibilities, Comrade Enver Hoxha determined the strategic concept, emphasizing that, although at first, whether in response to a great enemy force that attacks us or in response to surprise elements, we may be obliged to use a "defense strategy," an objective strategy of defense can never exist if it does not comprise and is not based on a great number of tactical assault operations. "...The phase of enemy intervention, which constitutes the

defense phase for our side, is important because we hinder the enemy from setting foot on our soil. The phase of combat, to hinder the enemy from advancing, must constitute that moment of his weakness in living forces and armaments, the duration of which cannot be determined, but which leads to the phase of balancing of forces and preparation for the moment of our general counter-attack."⁷ According to this thoroughly scientific concept, based on a deep analysis of our conditions and our moral, political, economic and military possibilities, as well as on knowledge of the armaments, technology, strategy and tactics which may be used by the enemy, our army, by developing a people's war at the regular front and with heightened activity at the rear of the enemy, is fully capable of encountering any enemy or coalition of enemies on the battlefield and of achieving a decisive victory, relying upon our own resources.

In the great work of Comrade Enver Hoxha, the problems of tactics, as a constituent part of the Military Art, occupy as important a place as that of problems of strategy. In further developing the problems of tactics, Comrade Enver developed and gave us the content of the modern, present-day tactics of our army. Its essence lies in the fact that tactical concepts, first of all, must be understood as political concepts; that the development of tactics depends upon the improvement of arms and military technology in terms of both our army and foreign armies; that in war, the decisive factor is man; that tactics and strategy are in reciprocal dialectical unity, since every tactic is a part of strategy and the whole of tactics must constitute strategy; many continual tactical successes lead to decisive success in the achievement if victory over the enemy; that our tactics aim at the holding, at any cost, of every inch of land, but not stopping at foritification and entrenchment. Comrade Enver teaches us that it must be a tactic of assault, moving and maneuvering rapidly on the battlefield, attacking and counter-attacking. This constitutes the basic principle of our tactics and the basis of the training of our army.

During the years of fierce struggle against the intervention of the Soviet revisionists and their agents, which, in the area of military art, as in every other area, aimed at introducing their hostile viewpoints, imposing a capitulationist military art upon us dependent on their strategy, the greatness and decisive role of Comrade Enver Hoxha again came to the fore. With acuteness of mind and high vigilance, he uncovered the threads of the conspiracy and swept away with an iron broom the hostile activities led by the multiple agent M. Shehu. By striking and defeating the notorious theory of "sliding," Comrade Enver Hoxha defended and further enriched the People's Military Art.

His works on military theory, especially such documents as "T'i futemi thelle studimit te teorise se Artit Ushtarak" /Let us go deeply into the study of the theory of the Military Art/, etc., constitute a programmatic guideline for every cadre of our army, all of whom are required to understand and solve problems of the art of Marxist-Leninist military science. In a number of important speeches, such as "The fatherland is defended not only when we are prepared militarily, but also when we are

strong politically, ideologically and economically," "Let us prepare for defense in all directions, so that the enemy will never take us by surprise," Let us build socialism without forgetting for a moment the defense of the people and their victory," etc., etc., the problems of strategy, the operational art and the tactical art of people's warfare are explained clearly, convincingly and scientifically. The military theory in these works is distinguished not only by thorough Marxist-Leninist arguments on the possibilities possessed by a small people for achieving victory on the battlefield, but also by the faith, vigilance and strength which it stimulates.

The inheritance of Comrade Enver on questions of war, the army, defense and the military art is very great and it constitutes a precious treasure for the mastery of military science. This inheritance, which is found and collected in the works of Comrade Enver and in party documents constitutes the foundation of the political and military education of all the structures of our armed forces. It is the guide for action, to be prepared every moment to defend our socialist fatherland.

Comrade Enver left us a secure defense and a strong army, tempered politically and ideologically with Marxist-Leninist theory, trained as well as possible in the People's Military Art, enriched with all the necessary arms and means, an army with an essentially popular and internationalist character, a powerful and faithful weapon of the dictatorship of the proletariat. Our task is to ensure that this defense is invincible, that this army is strong that this military art is strengthened and developed further under the leadership of the party, with Comrade Ramiz Alia at its head.

FOOTNOTES

1. Ramiz Alia, Opening speech at the solemn meeting on the occasion of the 40th anniversary of the creation of our People's Army. *Jornal PER MBROJTEN E ATDHEUT*, No 8, 1983, p 10.
2. Enver Hoxha. "*Titiset (Shenime Historike)*" [*The Titoites (Historical Notes)*], Tirana, 1982, p 25.
3. "*PPSH. Dokumente Kryesore*" [*AWP. Major Documents*], Vol 1, Tirana, 1971, p 25.
4. Enver Hoxha, "*Per Ushtrine Popullore*" [*On the People's Army*, Vol 1, p. 218.
5. *idem*, Vol 2, p 358.
6. *idem.*, Vol 2, p 336.
7. *idem.*, Vol 1, p 574.

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POLITICS

HUNGARY

KISZ YOUTH CONGRESS CALLS FOR RENEWED POLITICAL ACTIVISM

High Party Leaders Attend

LD231005 Budapest MTI in English 0837 GMT 23 May 86

[Text] As already reported, the eleventh Congress of the Hungarian Communist Youth Union (KISZ) began in Budapest Friday with the participation of 910 congress delegates. In addition to the delegates over 200 invited guests attentively followed the work of the congress. Seated in the Presidium the first day were Gyorgy Lazar chairman of the Hungarian Council of Ministers, Karoly Nemeth deputy general secretary of the Hungarian Socialist Workers' Party, Sandor Gaspar president of the Central Council of Hungarian Trade Unions (SZOT), Csaba Hamori first secretary of the Central Committee of KISZ, Laszlo Marothy deputy chairman of the Council of Ministers, all members of the Political Committee, Istvan Horvsth secretary of the Central Committee of the HSWP, Viktor Mishin first secretary of the Central Committee of the All Federation Lenin Communist Youth Union of the USSR (Komsomol), Walid Masri president of the World Federation of Democratic Youth (WFDY) and Josef Skala, president of the International Union of Students (IUS).

Istvan Szandtner, secretary of the Central Committee of KISZ, in his opening address stressed that Hungarian public opinion was following the work of the congress with interest and expectations, that the success of the exchange of views could contribute to solving important tasks that society faces, and for this reason all responsible citizens were sincerely interested and involved.

Following that Csaba Hamori took the floor.

Hamori Gives Opening Speech

LD231021 Budapest MTI in English 0810 GMT 23 May 86

[All quotation marks as received]

[Text] At the 11th Congress of the Hungarian Communist Youth Union (KISZ) beginning in Budapest Friday, the verbal report of the Central Committee was presented by Csaba Hamori, first secretary. Among other things, he stated:

[Phrase illegible] the prevention of nuclear war. The decisive majority of young people consider peace and detente to be personal causes. The peace

program proposed by the USSR is the program of youth, who live with the hope that the young generations will be able to live in a nuclear weapon-free world.

In discussing the tasks facing Hungarian society he stressed,

"Our own development and the changes in the world economy both require new replies. We want the years to come to be ones of livening up. The 13th Congress of our party marked this as the target of economic development and this is what was set down in the Seventh Five Year Plan, too. We must devote all of our energy to finding a solution to our problems that is valid on long term. Our tasks are grouped into a complex, highly demanding system of objectives: to liven up the economy, further improve upon relations of equilibrium, to tangibly raise living standards, and to do all this with a moderate inflation rate and full employment.

Csaba Hamori, following an analysis of certain damaging phenomena which can be found among the youth, i.e., alcohol, and of the tasks in the struggle against them, stated:

"While still students, young people must be educated to know that they are being counted on here, that their opinion counts. Society needs ambitious, prepared young people who yearn for success.

It is natural that turning new and refreshing thoughts into reality requires money. But it is untenable for a lack of forints to become a constant force of rejection.

Today's working youth are the most active generation of recent decades, he stressed. According to statistics, two out of every three young people take extra work since they need every forint they can earn. Opportunities for extra work should not be restricted, but we should help so that energetic, twenty-odd year olds who are ready to act, not be turned into tired, burned out thirty or forty year olds.

He treated the issue of obtaining a home as one of the most important problems of the young people. The price of a home is vastly higher than earnings possibilities, and there are many people who do not even see a chance to get a home of their own.

"In the position of the youth organization a situation must be created in which, with a period of preliminary saving, satisfactory in size and time, people who require it should be able to get a home.

"For the young generation KISZ is an important place to meet with the ideals and values of socialism, stated Csaba Hamori, stressing:

"Societal development has brought new conflicts and tension to the surface. There are a number of signs that the new phenomena of the 1980's have bewildered a part of the young people. They do not experience what they have learned about socialism in all aspects of everyday life. The socialism which evolved in the past decade has become re-evaluated. Restructurings of values are

always accompanied by loud debate. The task of our union is to be a sure hinterland for young people who think politically in a responsible way and seek new courses.

"KISZ is a unified political union operating as the youth organization of the party. The union is a link between the party and the youth. It relays the policy of the Hungarian Socialist Workers' Party, it interprets its aspirations among the youth, and at the same time exposes the features and problems characteristic of the young generation.

In past years there has been a great deal of debate on the work of our youth union. There are many who have criticized us, from many aspects, often justly. I am convinced that a one-sided self-criticism would not be a worthy manner of evaluating the past five years either, though. Our work has yielded many lasting if not always spectacular results. KISZ members have always been ready to sacrifice in building the country, and this is just as true for today.

"In the past five years the internal life of our union has become more democratic. We are endeavouring to have all preparation for decision take place with the broadest possible participation on the part of the members, and for decision-making itself to receive greater publicity.

Nemeth Urges Improvement Work

LD231531 Budapest MTI in English 1356 GMT 23 May 86

[All quotation marks as received]

[Text] Karoly Nemeth, deputy general secretary of the Hungarian Socialist Workers' Party, addressed the congress of the Communist Youth Union of Hungary (KISZ) Friday in Budapest. He pointed out:

"Our party highly appreciates the commitment of the membership, activists and officials of the youth union, and their acceptance of responsibility in work, learning and military service. The communist youth union has worked successfully even under the more difficult relations of the accounting period. It has participated in shaping and carrying out policy and taken its share of the building work, and the spread of socialist ideas. It represented and safeguarded the interests of young people, and assisted in their social adaptation. It solved the tasks facing it of assuring party membership replacement.

"The party's youth organization fulfills its mission. At the same time there is just criticism that its political influence, activity and the standard of its work does not come up to requirements in many areas, and that its attraction has weakened. The demand to improve work, which was powerfully apparent at the conferences prior to the congress, is expressed in the proposals and is in concert with the party's efforts."

Following Karoly Nemeth said that over the past years the Hungarian people have progressed in the building of socialist society even amidst the difficult conditions. [sentence as received] "Thanks to the understanding, political support and steadfastness of the people, we have safeguarded our historical achievements, and the stability of the country. There is security of existence in Hungary, and in spite of the problems, living conditions stand comparison with the conditions of countries of similar economic development."

"Implementation of the social programme defined at the party's 13th congress is inconceivable without the initiating, active participation of young people. It is our conviction that the planned intensification of economic development and the steady raising of the living standard, which has to be based on quicker technical progress, more organized and efficient work, expressed the interests of young people, and meets with the efforts and support of the majority of the age group.

"We face a task requiring further efforts--we have to provide impetus to economic building work and, as the development of the national economy slowed down last year, implementation of the congress programme is progressing slower than possible. Doubtless there are causes for this which we can only slightly influence or not at all. The most important reason, however, is the shortcomings of our work, and the weaknesses of management and implementation, and in its inconsistencies," said Karoly Nemeth.

Pozsgay Calls for Cooperation

LD241933 Budapest MTI in English 1653 GMT 24 May 86

[Excerpt] Budapest, May 24 (MTI)--The 11th congress of the Hungarian Communist Youth Union (KISZ) continued its work in seven sections on Saturday. 69 delegates and guests contributed to the debate on the documents submitted at the plenary sessions on Friday and Saturday.

The presidium included Karoly Nemeth, deputy general secretary of the Hungarian Socialist Workers' Party, Csaba Hamori, first secretary of the KISZ CC and member of the HSWP Political Committee, Janos Berecz, Istvan Horvath and Lenard Pal, secretaries of the HSWP Central Committee. Janos Kadar, general secretary of the Hungarian Socialist Workers' Party, also attended the morning session. Laszlo Varga, president of the session, welcomed the guests and stressed that party organizations, and personally the HSWP general secretary paid attention to the state and efforts of the KISZ and the Hungarian youth in the course of preparations for the 11th congress. Young communists wish to return this attention with responsible analysis and the elaboration of a progressive programme during the congress and its disciplined implementation after the congress.

The morning plenary session was addressed by Imre Pozsgay, general secretary of the National Council of the Patriotic People's Front. He expressed his hope that KISZ--in compliance with its intention--can renew, as it is expressed in its slogan: It will be an active political organization that adapts itself to the new reality in a new way.

"The KISZ--as it was told during the debate--is not enough to carry it out alone. It requires the assistance of the society and the party, and the re-valuation of the economic circumstances. It also demands the cooperation of the Patriotic People's Front and the KISZ. In the spirit of the party's people's front policy, the Communist Youth Union is also included in the political unity which is expressed in the national programme," said Imre Pozsgay.

The morning plenary session was also addressed by Paula Coelho, member of the Secretariat of the Executive Committee of the national leadership of the Portuguese Communist Youth. On the life of young people in Portugal, she stressed that not everybody can study nowadays, 12 years after the victory of the April 25 Revolution and throwing off the yoke of fascism.

Central Committee Elections Held

LD252148 Budapest Television Service in Hungarian 1510 GMT 25 May 86

[Text] The 11th KISZ Congress as all similar forums, finally made decisions on personnel issues at a chosen session. The new feature of the 1986 congress election is that only one third of the new 105-member Central Committee was elected today. One third of the body were already delegated to the congress as Central Committee members by the county delegate sessions. The second third of the new Central Committee members were elected at yesterday's section sessions. The full membership was completed at today's closed session, where the 17-member Executive Committee was also elected.

The congress re-elected Csaba Hamori, MSZMP Politburo member as first secretary of the KISZ Central Committee.

The members of the Secretariat of the Central Committee are: Vilmos Cserveny; Laszlo Domonkos; Peter Emoed; Lajos Gubcsi; Csaba Hamori; Peter Kiss; Imre Nagy, Ivan Szandtner; Sandor Szoradi; Laszlo Varga; and Laszlo Varga-Sabjan.

The chairman of the Central Auditing Committee is once again Dr Antal Pongracz.

With this the KISZ Congress essentially came to a close.

Reelected Hamori Interviewed

LD252214 Budapest Television Service in Hungarian 1700 GMT 25 May 86

[Interview with Csaba Hamori, reelected first secretary of the KISZ Central Committee, by unidentified correspondent; date, place not specified; from the "This Week" program--recorded; no video available]

[Text] [Reporter] Was the 1986 KISZ Congress Successful?

[Hamori] Yes, it was unequivocally successful. I concluded the introductory, supplementary report with the appeal that our congress should be characterized by a creative and path-seeking dissatisfaction. Well, it was characterized by this, not because I had said that, but throughout it was of a creative and path-seeking nature. We received a great deal of support, proposals,

supplements to the debate documents which we started to draw up 6 months ago. And now at the conclusion of the congress I can say that these have been enriched. Therefore, our program has improved thanks to the joint work.

[Reporter] What are the main directions of this program? Can they be briefly formulated?

[Hamori] Naturally. I will list them under four points. The first is that we want to strengthen the organization's political nature, its communist and political nature. The second is that we want to strengthen the work forms and practices appropriate to the various youth strata. The third is that we would like to move the center of gravity of our work, of our activity, toward the younger age groups, that is to say those in secondary schools, in vocational schools, universities and colleges, and young people starting on their careers. And finally, we would like to make our organization's inner life more flexible, more democratic. The renewal of our election system is also aimed at this.

[Reporter] Naturally, at this congress KISZ did not deal only with its own internal affairs; a great many, one might say, hard social problems, social issues, were also raised. Could you name some of these and say how KISZ stands with regard to their solution?

[Hamori] It is natural that social issues came up on the agenda. This is Hungarian youth today: open, enquiring, constructive. Its best forces were present here. How could our congress not have been like this? I felt that the KISZ members were making a resolute stand on the side of the better assertion of the principle of performance; they oppose every practice that weakens or falsifies this.

[Question] At the congress the trade unions and the People's Front, too, assured KISZ of their cooperation. When and in what way will this become daily practice?

[Hamori] This willingness to cooperate also represents the implementation of the party's youth policy. We think that this will not be realized overnight, and unfortunately not at the pace that we would like. But we have to take into account the social circumstances and conditions; our pace is probably faster. I think it will take 1 or 2 years before these concrete trade union and People's Front forms, which are to be developed in the sphere of youth, will operate and cooperate more effectively in the upbringing of young people.

[Question] KISZ has decided that it will turn toward the younger age groups, that is, secondary school pupils, university students and those starting careers. Does this also mean that KISZ is becoming younger too?

[Hamori] We will be able to decide this in a few years' time. This is not simply a question of age. It is much more an issue of working style and concept of working. And it would not be realistic to say now which of the congress efforts will be realized. We have hopes, intentions, willpower; then we shall see what we can realize.

[Question] At the KISZ Congress a great deal was said about the healthy way of life, about sports. I know that the first secretary could not go running in the course of the 3 days of the congress, which we knew already in advance.

[Hamori] No, because either we were in consultation or I was racking my brains over something. The congress did not only support sports and a healthy way of life in words, in the session chamber, but the congress itself indulged in some sports, too. On the first evening, after they arrived, the delegates spent their time in the Budapest Sports Hall and as far as I know, usefully; they enjoyed themselves.

[Question] This was only an action, in fact, but KISZ assumes a task in teaching a healthy way of life.

[Hamori] We initiate several actions, because the youth movement cannot do without actions in this matter, either. For this to become a social movement, a fashion in the ranks of youth, even the considerable strength of KISZ is not sufficient for that. The other factors of society would have to move faster as well.

[Question] Finally, nearly every speaker at the congress said that things have to be renewed, there is a need for renewal, there is a need for new paths. Will KISZ be different as of tomorrow?

[Hamori] I do not think so. From tomorrow onward those who were here and those who followed the work of the congress with attention will have at their disposal somewhat more ammunition than before; they will have a somewhat bigger stock of arguments. In consequence of this they will have a stronger conviction that what they are doing is useful. For KISZ to change requires many years, and above all it requires a much stronger social support.

Sandinistas, Soviet Union Praised

LD251933 Budapest MTI in English 1755 GMT 25 May 86

[Text] Budapest, May 25 (MTI)--The 11th congress of the Hungarian Communist Youth Union (KISZ) ended in Budapest on Sunday. The congress adopted a resolution on the coming targets of the union. The delegates elected the leading bodies of the union and re-elected KISZ CC First Secretary Csaba Hamori.

The Presidium of the Sunday's plenary session included Karoly Nemeth, deputy general secretary of the HSWP, Csaba Hamori, first secretary of the KISZ Central Committee and member of the HSWP Political Committee, Janos Berecz and Istvan Horvath, secretaries of the HSWP Central Committee, Viktor Mishin, first secretary of the Central Committee of the Leninist Young Communist League of the Soviet Union, Walid Masri, president of the World Federation of Democratic Youth, and Josef Skala, president of the International Students' Federation.

In his address Malvin Palacios, member of the June 19 Sandinista Youth Union of Nicaragua, stated: "The Nicaraguan people is ready to continue its fight

against the aggression of the American imperialism to the final victory of peace." He stressed that Nicaragua does not want war and made several peace proposals to the USA but all were rejected. Nicaragua supports the efforts of the Contadora Group to re-establish peace.

"Nicaragua declares war to any type of imperialism. The Sandinistas express solidarity with every nation that fights for freedom, national independence and the protection of revolutionary achievements. They support the efforts of the peoples of the world to eliminate the danger of nuclear war."

In his address Peter Emod, secretary of the KISZ CC and president of the session, stated that Hungarian young people follow with sincere respect and solidarity the resolute struggle of the Nicaraguan people and youth to protect the country's independence and the achievements of the Sandinista revolution against imperialist intervention and counter-revolutionary forces. Therefore, he proposed the congress on behalf of the KISZ Central Committee to launch a solidarity action to build an agricultural technical school in Nicaragua as a present of the Hungarian Communist Youth Union.

The resolution of the KISZ 11th congress stresses among other things:

"The Hungarian Communist Youth Union is the youth organization of the HSWP and it is a united political mass organization of Hungarian young people.

"Our age demands more conscious political work and methods. This challenge requires the renewal of the youth union's activity. We have to take part in the formation of social processes concerning the youth, therefore we have to streamline our programme work forms and organizational system. The social building programme adopted by the 13th HSWP Congress provides the basis of our work.

"KISZ is a united political organization of the youth but it does not intend to be the sole youth organization. We initiate that state and social organization and movements develop new forms of work for young people.

"KISZ takes part in the construction of socialism, the development of the country's values, and the protection and improvement of historical achievements. We are convinced that only socialism can provide prospects for the nation.

"We hold it necessary to increase requirements against young people, and provide more chance to prove and utilize their knowledge. We take a stand for the attitude that is based on the respect of work and knowledge, responsibility and the service of the community.

"We contribute to the struggle for peace, disarmament and social progress. We further extend our cooperation with the youth organizations of the Soviet Union and the other socialist countries. We develop our relations with the progressive youth organizations of the developing and capitalist countries, and every organization and movement that pursues realistic policy. We continue to take an active part in the work of the World Federation of Democratic Youth and the International Students' Federation."

Hamori Gives Closing Speech

LD252204 Budapest Television Service in Hungarian 1510 GMT 25 May 86

[Report on closing address by Csaba Hamori, first secretary of the Central Committee of the Hungarian Communist Youth Union (KISZ), and member of the MSZMP Central Committee, at the 11th KISZ Congress held in Budapest on 25 May-- recorded passages contained within quotation marks; no video available]

[Text] "Esteemed congress, my dear fellow delegates. The way I know you, no one envies me now. How is it possible to summarize, to sum up the debate of 3 days, the 329 contributions which I have followed, even with the intention of providing a political summary? If you reelect me, I will have to think a great deal about some of the statements. If you do not reelect me, I shall still have to think about them. [laughter]

"Nonetheless, I feel that this 3-day debate has strengthened us, that we have become stronger through it. Every participant, from the pupil learning a skilled trade to the district general practitioner, contributed with some feature to the joint profile which characterizes the Hungarian Communist Youth League, or, more modestly, the 11th Congress.

"The most important joint characteristic is the readiness for action, the desire to act. As far as I am concerned, what this congress hall has said was: We are here, the sons and daughters of socialist Hungary, we have an opinion about the world, the country, the situation. We want to change and improve these. We have spoken sincerely; what is happening is important to us. We are not cogs in a machine but the active participants in a live, developing and increasingly rich public life and political sphere, and want to be so even more.

"It seems to me that a great deal of energy has accumulated in the congress delegates, energies of the type our society greatly needs. The delegates have spoken about many features of our social and economic life with a sense of responsibility and the intention to improve matters. They said, with regard to our economic progress, our economic performance, KISZ wants to see the development of a public view and practice which would provide rank and prestige for diligent and efficient work, which takes a stand against lack of discipline, negligence, carelessness. [as heard]

"The KISZ members would like to work in an environment where the more valuable performance involves a greater social and material, as well as moral recognition, where creativity and initiative, the acceptance of personal material and moral responsibility and the acceptance of risk strengthen.

"KISZ members want to have a frank relationship with the Party, with society and with each other. We are convinced that in our society there is more strength than that which we have been able to mobilize so far. What we want is that the experience and circumspection of the older generations should merge better with the up-to-date knowledge and receptivity to what is new and dynamism of the young people. This is one of the sources, if not the richest source, of making our social and economic development more dynamic.

"For the Hungarian youth of the eighties socialist society is their natural life element. Our generations have not had great turning points inflicted on them by history. But we have also learnt to co-exist with pressing problems, the contradictions of development. In this situation young people want a clear program and an experienced, sure leadership. In our society this leading force is the MSZMP.

"In the course of the preparations for the congress, and also during our congress, we were aware of the attention of the Party. KISZ enjoys the Party's confidence. I would like to express my thanks for this."

Csaba Hamori continued with these words, I quote: You can not give to young people as a gift, either the past or the image of the future, either socialist ideas or socialist democracy; the most that can be done is to create conditions, circumstances, in which they will be able to take possession of all this more easily.

Speaking about the debate, he stressed four important elements: The strengthening of the political nature of KISZ; the importance of strata work; the special attention to be devoted to the younger age groups; and finally the more flexible relations within the league. Csaba Hamori listed, item by item, all the things needed for strengthening KISZ's political nature. He highlighted as the most important the following:

"And what else is needed? Perhaps this is the most important for the strengthening of the political nature. It requires courage. Courage, because it means the acceptance of conflicts; it means a clash, which is uncomfortable, too, where one may lose. And one must fight, not against authority--about which we have also heard speeches--but against false authority. Not against institutions in general, but against the institutions' faults, in a given case, their inertia. An active, constructive approach is needed, one that not only says no, but which argues through action, as for example we argued in the case of environmental protection and elsewhere as well.

"Esteemed comrades, in the 3 days of the congress several speakers' made use of the analogy of sailing. Well, many of you know that I am an old aquarian and I have fallen into the Danube many times. But you were right to compare our work, our progress, to a boat. Since navigation is necessary, as people used to say in the old days. I feel that we are navigating on new waters; I feel we have oceans of work to do; that our sails are filled with great forces; and now it seems as though we have set our sails with a following wind. And how many of us are there for this? You remember the report of the Mandate Examining Committee: Andris Rakoczi reported, with already graying hair, there were 889 of us then. And you remember Janos Nagy, trainee skilled worker; he spoke with the strength of conviction and fine words about student life. He said, here in the speaker's chair, that there are two people in his place: himself and optimism. Well, then, how many of us does that make altogether? [laughter] Counting like this--and I hope that we do not have to include the guests--there are very many of us KISZ members in this room if we count like this. Let us take with us the critical, fresh, active will of our congress in the building of socialist Hungary. Let us win more and more young people over to the ideas of socialism. Thank you for your attention." [applause]

POLITICS

POLAND

PAP EXAMINES MOTIVES OF U.S. DRY MILK OFFERING

LD140530 Warsaw PAP in English 2340 GMT 13 May 86

[PAP heading--"Lesson of Good Manners"]

[Text] Warsaw, May 13--When a rich man makes an offering, he may have all sorts of different intentions behind it--so it is not always and everywhere that the intention is just to help one in need.

There is a possibility that one [words indistinct] aim to score a [words indistinct] effect or propaganda (both these motivations tend to go together) the wish to get rid of something one has in excess.

But when a less affluent country or one outrightly in economic difficulties offers aid to another--the intentions cannot be questioned. So things are among people, and so they are among states.

A clear moral lesson in that regard has been given today by the Polish Government spokesman today at his weekly news conference for foreign correspondents, as he announced that Poland, noting the existence of thousands of homeless people in the heart of New York City, has decided to donate 5,000 sleeping bags and blankets to those poor ones in the world's richest country.

No conditions are attached to the donation, no-one is denigrated or insulted through it, and no political or propaganda game is pursued around that humanitarian action.

All this happens at a time when the U.S. Administration sends Poland powdered milk, openly admitted to be overflowing reserve stores, and issues high-handed and openly conceited, as fits the rich and well-fed, instructions and lessons.

What is more, all this comes in a period of years of ruthless policy of restriction against Poland, and hence against the Polish nation--since what strikes at the Polish economy must harm the living standards of the nation--restrictions which have cost this country billions of dollars of losses.

As is known, no-one has tried, or been able to, conceal these facts, as has repeatedly been confirmed by circles, governments or individuals who are not friendly to Poland, but are objective.

Poland is being hit with losses of tremendous significance, and yet attempts are made to cover it up with a shipment of powdered milk... significance of it is so obvious that it needs no comment.

Neither is Poland issuing any bills for it in the form of insulting reprimands. There are two measures of attitudes, and moral value of each one is and must be clear to everyone. A lesson of good manners has been taught.

/12712
CSO: 2020/133

POLITICS

POLAND

REACTIONS TO CHERNOBYL NUCLEAR PLANT DISASTER REPORTED

Wloclawek Civil Defense Units Mobilize

Warsaw POLITYKA in Polish No 19, 10 May 86 p 4

[Article by Dobrochna Kedzierska: "A Declining Trend"; passages within slantlines printed in boldface]

[Text] /The breakdown at the Ukrainian power plant caused us to face directly the consequences of the use of nuclear power. What was Poland like during that week of ordeal, that week of prevention, Lugol fluid [iodine solution] and waiting for TV communiquees? Below are reports from our newspapermen, and on p 16 is published a KTT communique./

On 28 April 1986 at 2235 hours the Wloclawek Province Office received an urgent telex message from the Inspectorate of National Civil Defense. Addressed to all province governors, this message notified them about tasks relating to the country's radioactive contamination.

On 29 April at 0000 hours the Wloclawek Province Governor appointed a six-member team for collecting information on radioactive contamination. The sanitary-epidemiological network was to: perform continuous dose measurements, test the activity of the total daily fallout and the overall activity of commercial milk, determine the iodine-31 content of milk, and monitor the activity of meat, poultry, fish, soil, and fodder.

In its turn, the Province Center for Environmental Surveys and Control commenced daily monitoring of soil activity in its environs on, to be exact, the soil of the adjacent private produce gardens. In addition, the activity of surface water at control points as well as of piped water was monitored. The Province Water Supply and Sewage Systems Enterprise began to monitor continuously the activity of piped water.

The findings of all these tests are being reported to the Province Civil Defense Inspectorate, the Ministry of Health, and the Central Radiological Protection Laboratory. The principle followed is: the local agencies perform the monitoring and provide reports while the Government Commission answers queries and makes the decisions.... Quite recently the government was asked whether the members of a fishing cooperative can depart to catch fish. The

government did not answer and the fishermen swore, so the province sanitary inspector conceived a Solomon-like solution: fish cannot be sold unless monitored first.

And in general at the Province Sanitary-Epidemiological Station the time of urgency began as of Monday. First, staphylococcus was found in the powdered milk produced by the Rypin Plant. The plant was shut down. Second, part of the deliveries of bottled milk was withdrawn from stores in Wloclawek: it contained some unidentified acid. The tests continue. Third, there was another breakdown in the operations of AZOT [Nitrogen Works]: 11 tons of hydrochloride, vinyl chloride and dichloroethane escaped into the air.

What was more, the Station turned within half an hour into a field laboratory. Besides this is the only facility in Wloclawek Province to have the equipment for tests of this kind. Piotr Ignatowski, the chief of the Sanitary-Epidemiological Station, dozes while standing. Ewa Hermann, the head of the radiological protection laboratory, goes home for half an hour's break, and even then she sees important figures before her eyes.

How are the tests performed? Ewa Hermann swears that she will explain it all thoroughly, but first she must determine the iodine-131 content of as many as 21 milk samples. Dairymen are waiting and urging that the tests be speeded up. The problem is that even the shortest test lasts 6 hours.

The chief of the Sanitary-Epidemiological Station verifies for the third time the performance of the roof-mounted sensor for continuous monitoring of dose strength. The sensor consists of a metal roller linked by cable to measuring apparatus in a room below. The radiation entering the sensor is converted to electrical pulses which are counted by the apparatus. The unit of measurement is one milliroentgen per hour.

Director Ignatowski swears on the heads of his daughters that the dose is small.

The activity of the daily fallout is monitored as follows: a plastic cuvette containing a little distilled water is placed outside the building for 24 hours. It is located in a well-camouflaged area of the station's garden, because other cuvettes had already been stolen several times, thus obstructing the tests. After the 24 hours, the cuvette is brought back to the building and its contents evaporated under special lamps and then charred for 3-4 hours to a grayish-brown ash at 450 degrees Centigrade in a muffle furnace. The ash is poured into a miniature measuring bowl and placed in a so-called lead house which contains a radiation sensor with readings shown on attached equipment. The unit of measurement here is becquerels per sq m.

The name of this unit of measurement derives from the French physicist and chemist Antonie Henri Becquerel who, while investigating the luminescence of an uranium salt, discovered in 1895 the radioactivity effect. In 1903 he was, together with the spouses Curie, awarded the Nobel prize for precisely this discovery.

Dairymen are anxious to have the overall activity of commercial milk measured. They bring to the station one-liter samples of milk from every region of the province. One-fourth of each sample is poured into a cuvette and evaporated under lamps. The residue is scraped up, placed in a quartz container, and charred for 4 hours in a muffle furnace at 450 degrees Centigrade. Subsequently, the ash is transferred to a bowl and placed in the lead house for measurement of radiation. The unit of measurement used is becquerels per liter.

The activity of meat was measured but once and the findings were used as the starting point for further investigation. On the other hand, fish are regularly monitored. The fish are provided daily from lakes, ponds, and the Vistula. The fish are filleted and then ground in a grinder. Ten dkg is first charred in a container placed on a burner and thereupon for 3 hours in a muffle furnace. The ash is placed in the measuring bowl and conveyed to the lead house. The unit of measurement used is becquerels per kilogram.

All these tests are incredibly labor- and time-consuming. And above all, their stench is wellnigh unbearable. The most significant findings are those pertaining to the monitoring of overall fallout and of iodine in milk. It was only following a written recommendation by the Wloclawek Province Governor that the District Station for Chemical Assistance to Agriculture agreed to help the Wloclawek Sanitary-Epidemiological Station in monitoring soil and fodder activity.

Tomasz Kocikowski, the vice chairman for purchasing and trade at the Kujawy Dairy Cooperative, is awaiting the decision to release milk for sale to the public. Yesterday, milk almost missed by a hair getting delivered to stores. Thus, in the last 3 days some 60 to 70 percent of the daily milk deliveries had to be returned to the dairies. At the Gardening Cooperatives people are tearing their hair out. Lettuce, radishes and chives of superior quality are being left to rot. At the market, people are looking for eggs from poultry farms and avoiding early vegetables.

The health service learned about providing Lugol fluid only after a telex message from the ministry had reached the province on 30 April at 1600 hours. Fortunately, acting on his own responsibility, the Province Physician had mobilized by wire the province health service 5 hours earlier. At 1400 hours province clinics began to be mobbed. What is Lugol fluid? Waclawa Dominko, the province pharmaceutical inspector, explains that it is a solution of iodine in potassium iodide. Depending on its dose, it retards or stimulates thyroid-gland function.

At the office of the Province Physician on duty, or more exactly, in a small cubicle designed for one person, Urszula Ilenda rushes back and forth between a radio receiver and two telephones. The radio receiver transmits requests for Lugol fluid, nurses, and assistance. The telephones constantly ring with messages from outraged parents waiting in lines [for Lugol fluid]. Dr Ilenda patiently explains that it takes time to prepare that fluid.

A physician from Michelin telephones and asks that the fluid be supplied to his clinic, where several hundred people are waiting for it. In Wloclawek, at

the dispensaries on Chlodna and Zdrojowa streets, physicians have been asking for calm, explaining that the local pharmacies have only tiny distilling apparatus, whereas entire liters of that fluid are immediately needed. No one had been prepared for this emergency.... The Wloclawek Aeroclub displayed civic spirit by declaring its readiness to make a special flight to pick up iodine substrate from the CEFARM warehouse in Bydgoszcz. No one had supposed that there would be a continuing shortage of Lugol fluid. The substrate had twice been picked up in Bydgoszcz by an ambulance.

A young girl rushes into the office of the Province Physician and asks what should she do about her 3-year boy who cannot tolerate Lugol fluid. While standing in line in front of the dispensary on the other side of the Vistula she feared to admit that she is a health service employee. People refuse to believe that an ambulance is leaving for Bydgoszcz to pick up yet another 1.2 kg of substrate.

The girl, who is in a highly advanced stage of pregnancy, is sobbing and complaining that at first it was announced on TV that pregnant women would receive the drops [of Lugol fluid] but later this decision was recalled. TELEWIZYJNY KURIER WOJEWODZTW had reported that the fluid would be distributed to children and adults. What is going on? The flow of information is chaotic.

The Province Physician on duty patiently dials a number: first the area code of Warsaw and then the number of the ministry. The constantly busy Sanitary-Epidemiological Station cannot report on its test findings via telex, because there is no room for a telex machine. The Director of the Sanitary-Epidemiological Station patiently dials a number. The central office is impatient.... It alone knows the norm. The TV communique reports one thing and the televised panel discussion of experts reports another.

On 3 May an exact count was taken and it was found that during the preceding 48 hours drops of the fluid were administered to more than 118,000 children up to 16 years old. Approximately 450 liters of Lugol fluid were distributed at the province's hospitals and clinics.

Experts claim that in Wloclawek Province the permissible concentration limits were not exceeded. Radioactivity was found in soil and in surface waters. A substantial quantity of radioactive isotopes was found in grass. Tests show, as experts emphasize, a significantly declining trend.

Public Information Efforts Recounted

Warsaw POLITYKA in Polish No 19, 10 May p 4

[Article by Wojciech Markiewicz: "Can Snails Be Shipped to France?"]

[Text] People felt uncertain. "No peril to human health was found," yet a government commission was appointed. It would not have been appointed if there had indeed been no peril. To be sure, 200 additional posts for monitoring any contamination of land, water, and atmosphere were put into operation, the monitoring is being systematically conducted, the monitoring agencies are

known, and the most up-to-date facilities, including aviation, are being used for this purpose. But on the other hand, the results were then not yet known.

Of course, it is known that the recorded radioactivity had nowhere approached the threshold beyond which human health is in danger, and that the extent of contamination has stabilized, but one would like to know something more. For example, if everything is within the norm, how come only milk from cows fed with dry fodder is on sale? Why does the minister of health point to the absolute necessity of washing all early vegetables before their consumption? And lastly, if the "existing radioactive concentrations absolutely do not imperil the health of children and pregnant women and their fetuses," how come infants and children up to 16 years old will be administered a iodine preparation intended to protect the organism against the absorption of radioactive iodine? As a preventive measure this makes sense about as much as blowing at a cold potato to cool it -- unless perhaps the situation is more grave and the point is to prevent a panic.

These questions were partially answered by a program broadcast by Polish Television on Wednesday evening, but earlier, on Tuesday 29 April and on Wednesday until the evening various conflicting reports could be heard and viewed.

On Tuesday and Wednesday telephones rang at the Department of Sanitary Inspection, Ministry of Health. "What does it mean, 'northeastern provinces'?" "What is the recommended dose of the iodine preparation?" "Is the dose differentiated depending on age?" (On Wednesday evening it turned out that the following single doses of Lugol fluid apply: for infants up to 1 year old, 15 drops; for those from 1 to 6 years old, 28 drops; and for those from 6 to 16 years old, 56-60 drops. Yet as early as on Tuesday some ladies swore to others that children were supposed to receive a dose of 60 drops followed by another 60 drops after 3 hours, while adults were to receive a single dose of 120 drops. The fluid was acquired in various ways -- normally or through friendship, connections, influence, by request or even sometimes by threat.

Wednesday morning appeared the first grapevine news on iodine. The dose was reported variously to amount from 1 to 20 drops in a glass of water. On Wednesday, 5 drops of iodine in a half-filled glass of honey-containing water were administered to each pupil at a school in the Mokotow borough of Warsaw. In the evening it turned out that the iodine was not supposed to be administered. But on Saturday 2 May it was announced in turn that, while to be sure iodine is not recommended, its intake has not caused any side effects. At a school in the Wola quarter of Warsaw children were asked to go home right after classes, stay home, wash their heads every time they return home, and change clothing and bedlinen daily.

The Department of Sanitary Inspection was also asked about any prohibitions on movement. For example, should people going to Bialystok delay their trip for a couple of days? Another caller, from the "Las" [Forest] Cooperative, asked, "Can snails be shipped to France? (How will Frenchmen respond? Why not?)" Calls from foreign trade agencies also came in; for example, a British client demanded that lumber to be shipped on a Polish vessel from Gdynia be first monitored for radioactivity. How to conduct such a test? ORBIS [Travel agency]

received an avalanche of telex messages from organizers of tours of Poland. Yet at Wroclaw Hotel in Wroclaw we saw hundreds of foreign tourists acting like nothing had happened. A multilingual queue stood in front of the Racławice Panorama.

The Ministry of Health also received a lengthy telex from the World Health Organization in Copenhagen. Drt. J. E. Asvall'a, an expert on radioactive contamination, advised our specialists how to organize their activities. His message was in the form of simple questions and answers. By now we have the answers to most of his questions, and they are consonant with the opinions of the Danish expert. Let us cite below some of these answers.

Milk. Cows should be given dry fodder or silage and kept under roof for at least 10 days after the [radioactive] emission. The milk of nursing mothers is safe. Pregnant women and their fetuses also are safe. Experts cannot agree as to whether pregnant women should be administered iodine tablets.

What might be the psychological consequences of the disaster? The experience so far suggests that everyone who might be exposed to radiation should be provided with accurate and rapid information, by means of every possible technique, including mass media, in order to reduce anxiety and prevent psychological stress.

During the subsequent TV broadcasts the number of telephone calls to the Department of Sanitary Inspection under the Ministry of Health declined markedly.

Radiation Dosage Tolerances

Warsaw POLITYKA in Polish No 19, 10 May 86 p 4

[Article by Marek Henzler: "Among Isotopes"]

[Text] Everyone is exposed to the effect of ionizing radiation deriving from cosmic radiation and the radiation of some 40 natural radioactive isotopes present in the environment and in the human organism itself -- among others, potassium-40, sodium-22, carbon-14, radium-226, rubidium-87, or thorium-232. This is termed natural radiation or natural background radiation.

The dose of this radiation varies and depends on geographical latitude, height above sea level (the greater this height, the greater the dose) and the geological structure of the terrain (uranium deposits or uranium-containing granite rocks cause the dose to increase). The size of the dose is also influenced by human economic activity. The coal burned in power plants releases, in addition to ash, sulfur oxides, and nitrogen, substantial quantities of radium, thorium, and their derivatives. A similar situation applies to the production of phosphoric fertilizers from phosphorites. Likewise, higher doses are received by the tenants of buildings erected with construction materials fabricated from power-plant slag and cinders.

The average inhabitant of our country receives an annual dose of natural radiation amounting to about 100 millirems. Natural background radiation is

about one and one-half times higher in the Sudetens and the Sudeten Piedmont, but there are regions in the world where it is 10 times as high. In Poland, low-percent uranium ores are a factor in this radiation. In the Sudetens we also have water sources that contain higher concentrations of radium-226 and radon-222 (as high as 1,200 bq/sq dm in Swieradow Zdroj and Ladek Zdroj), whereas the average concentration of radon-222 for Poland as a whole is 0.4-2.0 bq/sq dm.

The growing use of nuclear power for peaceful and military purposes has resulted in the rise of new sources of irradiation of the human organism, of which the largest is x-irradiation and the use of radioactive isotopes in medical diagnosis and therapy (altogether, about 72 millirems annually per person). Another source is the experimental nuclear explosions, which scatter in the biosphere large quantities and several hundred (about 450) kinds of various artificial radioactive isotopes that gradually, in the form of so-called global radioactive fallout, settle on earth. In the troposphere, at an altitude of 9-14 km, dust particles and aerosols sojourn for about a month, orbiting the earth from west to east, and then are deposited on earth by atmospheric precipitation. As for the fallout entering the higher layers, the stratosphere, it remains there for years and gradually drifts downward, especially in spring. It is estimated that in our geographical zone we receive a dose of about 4 millirems per capita annually owing to the global radioactive fallout.

In addition, we receive about 3 millirems per capita annually owing to radiation during work with facilities and when using consumer appliances that contain radiation sources.

An additional and previously minimal source of radiation was the experimental and power reactors, mines and plants that process nuclear fuel, and storage sites for radioactive wastes. Together, we received from them not much more than 0.0003 millirem per capita annually.

It is estimated that the average Pole has so far received a combined annual dose of about 130 millirems from all radiation sources taken together, whereas the maximum permissible dose in excess of background radiation and medical doses is 500 millirems and, for occupationally contaminated persons, even 5,000 millirems annually.

Previously, monitoring of radioactivity level in this country did not reveal any drastic changes in that level. Peak contamination had been recorded during the years 1962-1963, that is, during a period of intensification of experimental nuclear explosions worldwide, whereupon a decline was recorded until 1967 when a series of Chinese and French explosions took place.

The Polish nuclear research centers operating in Swierk, Zeran, and Krakow have not so far tangibly influenced the level of radioactivity in their environs. To reduce the likelihood of human contamination, at the center in Swierk, for example, any construction unrelated to the center's activities is prohibited within a radius of one kilometer from the center, and large concentrations of people are restricted within a radius of 2 kilometers. There are no restrictions on the consumption of agricultural produce grown in the

environs of the center. As for Kowary, processing of uranium ore there has been discontinued and there is no threat to the environment for this reason.

The Polish scientific and technical press has already more than once considered the danger of a disaster at a nuclear power plant. Even the worst cases, such as damage to or meltdown of a reactor core owing to overheating, due to a breakdown of the cooling system, have been considered. In the case of a reactor with a heating capacity of 1,000 MW, such an accident can result in spewing into the atmosphere approximately 100 tons of steam and volatile fission products with an activity of the order of 10 [illegible] to 10 [illegible] bq (bq is a radioactivity unit amounting to one atom decay per second).

The buildings housing modern reactors are designed to withstand the pressures and temperatures generated by such accidents, and to restrict the leakage of the contaminated steam-air mixture into the environment to not more than 0.5 percent of volume of the building daily. The probability of such an accident has been estimated at 10 [illegible]--10 [illegible] per reactor per year.

The release of volatile fission products into the atmosphere under the most unfavorable meteorological conditions would then cause a lethal peril within a radius of several hundred meters from the reactor, with irradiation of the thyroid gland of children with a dose of 50 sieverts within a radius of 2.5 km, and a temporary prohibition against the consumption of vegetables and other produce within a radius of up to 60 km upwind of the reactor, eggs within a radius of up to 120 km, and milk within a radius of up to 160 km. Such assumptions of theory had been made public as early as last year.

[Table] Distances from Chernobyl Power Station to Some Cities, in km

Kiev --	130
Lvov --	470
Vilna --	520
Warsaw --	660
Moscow --	690
Gdansk --	870
Budapest --	920
Leningrad --	1000
Vienna --	1050
Helsinki --	1070
Prague --	1130
Berlin --	1170
Stockholm --	1200
Oslo --	1560

Focus on Iodine

Warsaw POLITYKA in Polish No 19, 10 May 86 p 4

[Article by (W.M.): "Iodine-131"]

[Text] Why is iodine most often being mentioned? Is not the Government

Commission interested in the other isotopes?

A radioactive emission may contain several hundred isotopes, but the present emission consists as much as 80 percent of a group of iodines, including iodine-131. Iodine accumulates in the thyroid gland, which develops until age 16. (Footnote) (According to WIELKA ENCYCLOPEDIA POWSZECHNA PWN, the thyroid gland is an endocrine gland that develops from the oral-cavity epithelium of the embryo and is usually located in the neighborhood of the initial segment of the alimentary tract. Its cells trap iodine and the aminoacid thyroxine from the blood and produce hormones that intensify basal metabolism and oxygen consumption in all tissues, influence mental and physical development, especially during the growth period of the organism, and regulate calcium ions. The functions of the thyroid gland depend, in this connection, on age, sex, status of pregnancy, climate, season of the year, and other factors. The synthesis and secretion of thyroid hormones into the circulatory system occur under the action of nerve impulses from the hypothalamus and as a result of the activity of thyrotropin, a hormone secreted by the anterior lobe of the pituitary.) Thus this concerns blocking this organ, which in a child weighs 1-3 grams and in an adult about 20 grams, so that it will not absorb radioactive iodine. This artificially caused excess of iodine produces the added effect of enhancing the secretion and leaching, as it were, of iodine by the kidneys, which magnifies the elimination of also the radioactive iodine absorbed by the organism from the air, milk, water, etc.

Impact on Lomza Dairies, Farmers

Warsaw POLITYKA in Polish No 19, 10 May 86 p 5

[Article by Witold Pawlowski: "Lomza Under a Cloud"]

[Text] Milk-rich Lomza Province learned on Tuesday 29 April approximately at noon, that we are living in the atomic age. For it was precisely then that a telex message from the Ministry of Agriculture prohibiting the grazing of cattle was received. The notice was transmitted to the various counties, which in their turn spread the news among the village heads. The village head at Kalinowo received the news some time in the afternoon. By custom, he picked up the message slip and began to circulate through the village. It was not hard work for him to persuade the farmers, because Kalinowo lies on the Narew River with its floodplain meadows on which cattle are grazed in mid-May at the earliest, and this year the meadows are so heavily flooded that the grazing season is bound to occur later than usual anyway. The other notice received from the county office was more important: livestock should not be led to the watering site. He transmitted what he was ordered to transmit.

Immediately after receiving the telex from Warsaw, Henryk Milewski, the chief of the Province Department of Environmental Protection, ventured with equipment onto the lawn outside his office to see whether things were that bad.

The sensors rang alarm, because they were adjusted to the normal quotidian range, and the legs of the personnel of the Environmental Testing and Protection Center began to shake.

Besides, it was possible to mobilize that center in minimum time, because it is permanently engaged in this kind of monitoring. On the area of the province there exist two control posts monitoring the radioactivity of waters and soils and measuring total fallout as part of a nationwide fallout monitoring program. To be sure, had reliance been placed solely on these routine activities, Lomza Province would have learned about the cloud as late as on Friday, 2 May, because that was the regular monthly monitoring date. The monitoring is extremely thorough but time-consuming. The preparation of a soil sample takes 8 hours, a water sample 12 hours, and a milk sample 24 hours and longer.

The Province Plant Quarantine and Protection Station also has at its disposal such precision equipment, except that it had not been used for 4 years, the last time being when some food importer had asked for such tests. So now it had trouble putting that equipment into operation, and it is availing itself of assistance from the Environmental Center.

Similarly, the Province Sanitary-Epidemiological Station -- the third institution to be mobilized by territorial defense -- lacked appropriate equipment, for in its daily activities it deals with salmonella rather than with a radioactive cloud.

Tuesday evening the first major communique was announced on television. It did not affect the imagination as much as a subsequent additional communique to the effect that Warsaw ordered the administration of Lugol fluid to children as a preventive measure. The reaction was that, since the nation's capital has ordered such a measure, this must be something serious, and the local population was apprehensive that Warsaw might use up the entire stock of Lugol so as to leave nothing for the provinces.

Starting at 2200 hours, dispensaries were set up in hospitals, and the news was transmitted to officials by telephone: the press spokesman of the province governor reported that he was the fourth official in the province to learn the news, which attests to his high position. Ordinary citizens learned the news through the grapevine network.

After midnight, somebody knocked at the door of Waldemar Marchlewski, a gardener living near Piatnica, asking him whether he knew of the news. He collected neighboring children in his car and drove to Lomza.

Kalinowo was notified at night by a militiaman who happened to be a distant relative of an inhabitant of the village, and its population also traveled to the city.

The first Lugol crowd queued up overnight and in the morning Lomza resembled Warsaw's Marszalkowska Street during peak traffic hour.

In the morning, iodine disappeared from the shelves of pharmacies, as did butter and powdered milk from grocery stores. People feasted on remains of cheese and milk. It should be stated that town reacted with increased fear while country reacted with greater calm. In the city, iodine mixtures were

prepared, in various proportions depending on the knowledge of the individual. Some people injected themselves three times, acting on the principle of better safe than sorry, and a couple even took such large doses that they needed medical help. In the villages, especially in those more remote from the highway, cows could still be seen grazing, though in smaller numbers.

The Wednesday news broadcast on television as well as a televised panel discussion among experts cooled the iodine fever, properly speaking. People commented that the information was provided too late to spare them anxiety and uncertainty. For this reason certainly, grapevine rumors were believed more readily than official announcements and, starting Thursday, few small children could be seen on streets.

On 2 May Director Milewski, with test findings in hand, informed me that we definitely are not dealing with an ecological disaster. The findings -- based on samples of grass, vegetables, and water -- differ markedly, depending on location and surroundings, and they vary considerably even on a single meadow. They all point to higher-than-normal doses that are, however, below the danger point. Winter crops are not imperiled.

The water of the Narew River was the first to return to normal. It is even less contaminated now than it had been during a period when the consequences of Chinese nuclear tests had been recorded at monitoring stations; during the three times that the cloud had orbited Earth, each time it was recorded in Lomza Province.

Milk is the slowest to return to normal.

It was decided to buy up every liter of milk. The isolation of the milk of grazed cows from the milk of cows fed with dry fodder was immediately ordered. This was easier to implement on state farms than on private farms. An appeal was to be directed to farmers, asking them to report which milk they were delivering, and that they did not stand to lose any money. But when samples were collected, it turned out that they all contained active iodine in excess of the permissible limit, and so the milk was withdrawn from direct consumption. It will be processed into solid cheeses and butter, which will be held in refrigerated warehouses until the iodine decays sufficiently to make them fit for consumption.

The head of Kalinowo Village has not yet permitted cows to be grazed in the meadow, and he is sending milk containers to his family in the city. But neither he nor the teamster who each day picks up the containers with milk has heard that the two kinds of milk have to be separated. No one told them. Perhaps that is why the samples yielded such unfavorable results. The province has stocks of skimmed milk, which will be supplied to stores, as well as of powdered milk, for which rationing has been introduced.

But as for early vegetables, no one knows what to do about them.

Waldemar Marchlewski who, in addition to operating a hothouse, is a member of the province PZPR committee and the chairman of the Lomza Produce Gardening Association, estimates that the demand for early vegetables, and especially

for lettuce, has dropped to 20 percent. Price cuts are not helpful, because such vegetables seem particularly suspicious to consumers.

His fellow producers want to solve the problem differently, by obtaining certificates of health for their lettuce.

First, this is technically and practically not feasible. The Plant Protection Center has so far collected some 15 samples, and there is no way for it to handle orders commissioned by private individuals.

Second, the certifications would be liable to abuse.

Director Milewski explained that vegetables grown in hothouses and subsequently covered with foil survived best, followed by vegetables grown in aired hothouses and foil tents. Marchlewski knows from experience that, given the recent temperatures, the tents must have been at least aired.

Lomza Province Vice Governor Zdzislaw Truszkowski views the entire issue in civic terms -- in terms of the discipline and responsibility of producers, who are duty-bound to provide information on the conditions in which they grew their vegetables, and in terms of the confidence of consumers in the official communiques announcing that vegetables are safe to eat after a thorough rinsing, and also in terms of confidence in vendors.

The Produce Gardening Association is very apprehensive. Lettuce and radishes spoil quickly, and what about the young cabbage and cauliflower that had been planted a week ago? Are they to be destroyed, plowed under, or replanted? Similar apprehensions are being felt by private land-plot owners who are vainly telephoning for advice and information whomever they can. They are awaiting that advice and information like the Environmental Center is awaiting prolonged and pouring rains.

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CSO: 2600/406

POLITICS

POLAND

GLEMP GIVES FINAL PRESS CONFERENCE IN PARIS

AU021425 Warsaw TRYBUNA LUDU in Polish 22 Apr 86 p 7

[PAP Paris: "The Primate of Poland has Ended his French Visit--press conference in Paris"]

[Text] On Monday [21 April], Jozef Cardinal Glemp, primate of Poland, completed his 11-day visit to France and returned to Poland. At Orly Airport in Paris he was bidden farewell by representatives of the French episcopate and by Janusz Steafnowics Polish ambassador in Paris.

On the last day of his visit he gave a press conference at the Polish seminary in Paris. He replied, among other things, to questions from journalists concerning the Carmelite monastery in Oswiecic [Auschwitz]. He said that in Paris he had met with representatives of Jewish organizations in France, in Nancy he had spoken to the chief rabbi of this city, and in Metz he had met with representatives of the Jewish community there. He asked to receive in writing the arguments being put forth by those who are demanding a stop to the building of the Carmelite monastery. For the church has still not received such arguments.

The primate continued by saying that it was not only Jews who died in the Hitlerite extermination camp of Auschwitz, but also people of other nationalities--Poles, Russians, Dutchmen, and Austrians. The church believes that a place of worship should exist beside such a place of martyrdom and extermination, and that this is an attempt to atone to God for the sin of genocide. The Carmelite nuns already in the monastery are praying day and night and saying psalms, which after all are a Jewish prayer.

Cardinal Glemp said that he does not like the violent attacks on the Polish church in connection with the Carmelite monastery in Oswiecic. Those who are attacking the church have no honest arguments at their disposal. After all, there are Jews and rabbis living and acting in Poland, and yet there have not been the slightest objections from these so far.

The primate also told the journalists that during his talks with the Jewish community in France he had stressed several times that he wants this entire issue to be resolved in peace and with a maximum of respect for the feelings of both sides. After all, the Polish and Jewish people suffered the most during World War II.

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CSO: 2600/438

POLITICS

POLAND

'CONSENSUS' GROUP HOLDS MEETING TO COMBAT SOCIAL ILLS

Urges Vigorous Anti-Alcoholism Campaign

LD112004 Warsaw PAP in English 2113 GMT 9 May 86

[Text] Warsaw, May 9--A two-day debate organized by a dialogue group "Consensus" under the motto "Let us protect the nation from degradation" opened here today.

The "Concensus" group which includes intellectuals and social activists organizers--in concert with the patriotic movement for national rebirth (PRON), the episcopate of the Roman Catholic Church and churches of other denominations--a dialogue between representatives of various political orientations adhering to the Polish constitution.

The aim of this meeting is to propose new forms of combatting alcoholism, drug addiction and tobacco smoking.

During the first day of the debate participants spoke mainly about alcoholism which they considered the greatest disaster of Polish society.

Some 3-4 million Poles are drunk every day, and at least 1 million are alcohol addicts. A statistical Polish citizen drinks 57 bottles of vodka a year.

According to research by the Polish Academy of Sciences (PAN), if the situation does not improve, in the year 2000, about 4 million people will require medical treatment, and this will be far beyond possibilities of health service.

The meeting critically assessed the implementation of the law on upbringing in sobriety and counteracting alcoholism which in the opinion of its participants is being generally violated.

The meeting stated that a considerable section of society is convinced that alcoholism is not fought against with enough vigour and firmness.

It is necessary to aim at changing human mentality which is very important from the point of view of counteracting this most dangerous social ill.

It is necessary to "separate the state from drunkenness," which means to practically implement a principle that there is alcohol in shops but the state budget is not interested in increasing its sales, the meeting said.

Views Drug Addiction

LD112005 Warsaw PAP in English 1619 GMT 10 May 86

[Text] Warsaw, May 10--The dialogue group "Consensus" wound up its two-day meeting here today on combatting social ills in the course of which it discussed methods of more effective prevention and combatting alcoholism as well as narcotics and nicotine addictions.

According to numerous estimates the number of drug addicts in Poland ranges between 300 and 400 thousand people, most of them young. Over 100 addicts die each year of drug overdoses.

The meeting stressed the urgent need for a ban on poppy growing and for more medical facilities for addicts.

Reports show that the number of smokers dropped by about 1 million in recent two years. However, another 11 million Poles still continue to intoxicate themselves with nicotine while Poland ranks first worldwide as far as tobacco consumption per capita is concerned.

The group resolved to set up a "foundation of life" to support various initiatives aimed against social ills.

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CSO: 2020/136

POLITICS

POLAND

MESSNER MEETS SOCCER TEAM

LD192157 Warsaw PAP in English 2122 GMT 19 May 86

[Text] Warsaw, May 19--Chairman of the Council of Ministers Zbigniew Messner met here today with the Polish National Soccer Team and the management of the Polish Soccer Union (PZPN).

PZPN president Edward Brzostowski presented the state of preparations for Mexico World Cup. The team's coach Antoni Piechniczek thanked the authorities for providing the team with optimal conditions. Speaking on behalf of the whole team, its captain Zbigniew Boniek assured the gathering of the players' good rationale and their will to represent the national colours with dignity.

On the eve of the team's departure from Mexico, the Polish Premier conveyed cordial greetings from President of the Council of State Gen Wojciech Jaruzelski to the players, wishing them successes, to the satisfaction of all sports fans in Poland.

The meeting was also attended by Vice-Premier Zbigniew Gertych, and chairman of the Main Physical Culture and Tourism Committee Boleslaw Kapitan.

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CSO: 2020/136

POLITICS

POLAND

ENVIRONMENTAL PROTECTION COUNCIL ON 1986-1990 PLAN

LD221409 Warsaw PAP in English 2142 GMT 21 May 86

[Text] Warsaw, May 21--The State Council for Environmental Protection met here today to discuss protection of natural environment and water economy in the draft national socio-economic plan for the years 1986-1990.

The meeting said that many regions of Poland were experiencing ecological dangers resulted from water and air pollution and aggravating state of forestation.

According to the draft, the share of outlays on environmental protection will go up from 1.7 to 3.3 percent of all the outlays, and together with water economy it will grow from 4.6 up to 8.1 percent.

Recalling the assumptions for the recent 3-year plan in the field of environmental protection, the meeting said that it brought neither financial nor material effects. According to the data published by GUS (Main Statistical Office) last year showed an increase of industrial dust emission by 5 percent though the past years experienced its slow decrease.

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CSO: 2020/136

POLITICS

POLAND

BRIEFS

AMBASSADOR ENDS SYRIAN TOUR--Damascus, May 19--Syrian Vice-Presidents 'Abd al-Halim Khaddam and Zuhayr Mashariqa received Polish Ambassador Boguslaw Kaczynski at the end of his diplomatic mission to this country. On the same occasion the Polish ambassador was received by the Speaker of the Syrian People's Council Mahmud al-Zu'bi, Prime Minister 'Abd al-Ra'uf al-Kasm, Foreign Minister Faruq al-Shar' and other Syrian officials. [Text] [Warsaw PAP in English 1441 GMT 19 May 86 LD] /8309

CSSR'S HUSAK TO VISIT--Warsaw, May 18--Secretary-general of the Central Committee of the Communist Party of Czechoslovakia, president of the Czechoslovak Republic Gustav Husak will arrive in Poland on a friendly working visit in the 3d decade of May at the invitation from PUWP CC first secretary, president of the Polish Council of State Wojciech Jaruzelski. [Text] [Warsaw PAP in English 1710 GMT 18 May 86] /8309

SYRIAN 'AL-MUNADEL' DELEGATION--Warsaw, May 27--A delegation of AL-MUNADEL, the theoretical and political organ of the Syrian Ba'th Arab Socialist Party, headed by Editor-in-Chief and Secretary of the Party's Information Department Yasin Salman, visited Poland at the invitation of the PUWP CC monthly NOWE DROGI. Members of the delegation were briefed on the PUWP's ideological and political activities and on the course of preparations for the 10th PUWP Congress. The Syrian guests also held talks at the PUWP CC, and were received by Political Bureau Alternate Member, PUWP CC Secretary Jan Glowczyk. During all meetings strong support was expressed for Syria in her struggle against imperialism and Zionism. [Text] [Warsaw PAP in English 0720 GMT 27 May 86] /8309

FINNS DAVIS CUP MATCH POSTPONED--Warsaw, May 5 (AFP)--Finland, not wanting to run any risk of radioactive contamination, have refused to go to Poland for this weekend's Davis Cup European zone group A match here as a result of the Chernobyl nuclear plant disaster in the Soviet Ukraine. The three-day first round tie should have started on Friday but Poland has agreed to a Finnish request to postpone it. A new date is to be fixed. [Text] [Paris AFP in English 1438 GMT 5 May 86 AU] /12712

FRANCISZEK ADAMKIEWICZ DIES--Warsaw, April 30--Franciszek Adamkiewics, minister of heavy and agricultural machines industry in the years 1976-1980, died here at the age of 66. In 1971 he was appointed to the post of under-secretary of state and in 1976 he became minister. He also was Poland's ambassador to Austria. [Text] [Warsaw PAP in English 1340 GMT 30 May 86 LD] /12712

ORZECHOWSKI RECEIVES VATICAN OFFICIAL--Marian Orzechowski has received Archbishop Luigi Poggi, head of the Group for Permanent Working Contacts between the Holy See and the Polish Government, who was paying his farewell visit in connection with the conclusion of his mission to Poland. Archbishop Poggi was also received by Minister Adam Loptaka, Head of the Religious Affairs Office. [No video available] [Text] [Warsaw Television Service in Polish 1730 GMT 2 May 86 LD] /12712

CSO: 2600/438

SOCIOLOGY

CZECHOSLOVAKIA

NEW TV STATIONS PLANNED

Prague RUDE PRAVO in Czech 22 Apr 86 p 4

/Article by Eva Sadilkova: "Aiming for 52 Transmitters" /

/Text/ Transmission of the first television program in our republic took place in 1952 in Prague with the transmitter on Petrin. Gradually television capability spread throughout the whole republic. The network for transmitting the first TV program was completed in 1975. It consists of 11 basic, 20 auxiliary transmitters, and 1,010 TV converters.

Construction of the network for the second TV program began in 1970 with transmitters in Prague, Brno, Ostrava and Bratislava. It should be completed in the course of the Ninth 5-Year Plan with the creation of 52 transmitters. During the Seventh 5-Year Plan five more basic transmitters for the second program were put into operation--Trencin in 1981, Roznava 1983, Sturovo 1983, Stara Lubovna 1983 and Rychnov and Kreznou in 1984. At the same time 141 TV converters were constructed. Thus in 1985 41 basic, and two auxiliary transmitters, and 283 TV converters were in operation for transmitting the second TV program. The completed network will permit quality reception of the second TV program for more than 70 percent of the population of our republic.

The converters are now being built mainly with funds of the national committees and their own workers which allows communications employees to concentrate on more important tasks.

No less attention has also been devoted to radio broadcasting. In the UHF broadcast network stereo transmission was instituted for the Hvezda /Star/ program circuit. In the medium wave band obsolete transmitting technology was replaced with the most modern and efficient systems.

And what is the outlook for the Eighth 5-Year Plan? Eight more new transmitters for the second TV program are to be put into operation--Snina, Banska Stiavnica, Pacov, Zdar and Sazavou, Svitavy, Chomutov, Votice and Jihlava.

In 1990 a new municipal transmitter, already under construction, will also start carrying both TV programs in the capital city. It will replace the Petrin station. The new television transmitter for Prague will provide transmission of three TV and three radio programs, operation of a mobile radio-telephone network and radio relay communications, reception of satellite transmissions and other communications services. The 216-meter high tower, which will become another dominating feature of our capital city, will also have observation and restaurant facilities at a height of 97 meters.

The transmission network of the second TV program will fully utilize the frequency capabilities under construction. Expansion for more TV programs in the future will be possible only by an entirely new method, by direct transmission from satellites. Preparation for direct transmission of TV, and gradually also radio programs from satellites, will commence at the end of the Eighth 5-Year Plan. It need not be emphasized that achievement of this difficult goal will be possible only with broad international cooperation with the socialist countries, primarily with the Soviet Union.

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END